National Oceanography Centre
A Company Limited by Guarantee
Annual Report and Financial Statements
Year Ended 30 September 2020

Registered Number 11444362
Charity Numbers 1185265 & SC049896
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1. Reference and Administrative Details

Company registered number
11444362

Charity registered numbers
1185265 and SC049896

Registered office
National Oceanography Centre
European Way
Southampton
SO14 3ZH

Independent auditor
BDO LLP
Arcadia House
Maritime Walk
Ocean Village
Southampton
SO14 3TL

Legal Advisors
Eversheds Sutherland
Bridgewater Place
Water Lane
Leeds
LS11 5DR

Bank
Natwest
3 Hampshire Corporate Park
PO Box 462
Templars Way
Chandlers Ford
SO53 3RY

Financial/Tax advice
Deloitte LLP
3 Rivergate
Temple Quay
Bristol
BS1 6GD

Chairman
John Hirst, CBE

Directors and Trustees
Prof. Sir Ian L Boyd
Ruth Boumphrey
Sarah Kenny OBE
Sarah McMath
David Gee
Daniel Hook

Senior Management Team
Prof. Ed Hill CBE
Chief Executive
Julie Pringle-Stewart
Chief Operating Officer, Chief Financial Officer, Company Secretary
Prof. Angela Hatton
Director of Science and Technology
Leigh Storey
Associate Director for National Marine Facilities
Natalie Campbell
Associate Director for Corporate Business Support
Prof. Doug Connelly
Associate Director for Research
Cait Allen
Associate Director for Engagement
Huw Gullick
Managing Director of NOC Innovations Ltd and Associate Director for Strategic Business Development
Danielle Rossiter
Head of Finance
Matt Eades
Head of People and Skills
2. Foreword by the Chair of Trustees and Report of the Chief Executive

2.1 Chairman of the Board of Trustees

It is a great honour to be the first Chairman of the National Oceanography Centre (NOC), as it takes its place in the world as an independent charity with an ambitious vision.

Setting up and launching the organisation has kept us busy. Previously, NOC was fully embedded in the UK’s main environmental science funding body, the Natural Environment Research Council (NERC), who are part of the UK’s main science funding agency, UK Research & Innovation (UKRI). Following a substantial programme of activity, an independent Gateway 4 Review and Ministerial approvals, NOC became an independent legal entity from 1 November 2019. This has enabled NOC to continue to flourish as a world-class research organisation, by giving us the independence it needs to have the freedoms to meet the challenges and opportunities facing it. The really exciting work starts now, in creating a strategy that makes the NOC an even greater force for good. With the impact of COVID-19 over the last year, the world feels very different. But the ocean remains one of the most essential global forces, from impacting climate change to bringing us food, energy and digital ability. During the pandemic we have taken time and space to seize the opportunity to be in control of our own destiny, with all the freedom and responsibility that brings.

I work with a newly established Board that has wide ranging expertise in science, engineering and business leadership. We are committed to the NOC’s strategic goals and recognise the role we play in working with the organisation to achieve these aims. We have worked together with the Executive to develop strong measures so we can track our progress, as well as helping the organisation evolve into its new governance structure. I would like to thank our Chief Executive, Professor Ed Hill; our Executive team for their leadership, and all our staff throughout the organisation, for their commitment during these challenging and exciting times.

The NOC is a UK leader and global influencer, but we cannot succeed on our own. We work in partnership with Government, world experts, academia, industry and our own people. Together we share a passion: we understand the ocean sustains and nourishes our lives, and we aim to protect it so we can all thrive.

John Hirst CBE
Chair of Board of Trustees

25 March 2021
2.2. **Report of the Chief Executive**

I would like to thank the Board in helping us develop a strong strategy to bring the new National Oceanography Centre to life as an independent body. Building a new organisation is no small task. As well as developing the practicalities, such as systems and processes, the important work is around creating a culture which allows us to innovate and lead in advancing marine science, including developing the measurement technologies on which scientific knowledge and understanding of the ocean depends.

Just before we closed down our buildings to protect our staff from COVID-19, we met as an organisation to celebrate new beginnings. This was a highlight of the year for me, as it was the culmination of many months of preparatory work. We were able to pause, together, to reflect on our role in the world now, and the immense impact we can have on our ocean’s future.

Of course, we are not a completely new organisation and carry with us a proud history. Whilst our Vision is of course very forward-looking, it really reflects the ambition we have always held: an ambition to bring about change for the good of humankind and the world we all live in:

**By 2025, to be seen as the world’s most innovative oceanographic institution**

This vision is not only inherent to our purpose of advancing science but is one we want to pervade everything that we do, and so empower our people. Similarly, our mission is built on our strong legacy of using great science and developing leading technology to understand our ocean and how it impacts life on earth. Our enduring mission has always been:

**Making sense of changing seas for the benefit of all**

Our people remain our greatest asset, our shared values which we developed together underpin all that we do in realising our vision and delivering our mission. I would like to thank our staff who have truly embraced our change in organisational status and responded superbly to the disruptions caused by COVID-19. Like other organisations, we quickly learnt that most of us can work very well remotely, although we recognise the value of sharing ideas together as a team, which is what leads to innovation.

The resilience and flexibility shown through this year is really captured in our organisational values. We live by our values in deciding what we do and how we do it. Investigating the ocean is a global endeavour, relying upon and fully embracing our diversity of talent, ideas, perspectives, experiences, backgrounds and skills.
2.2. Report of the Chief Executive (continued)

We embrace diversity, which runs through all of these values and is integral to our vision for innovation. We will be working to embed this further in all we do, and I will personally be leading a group that will focus on making sure we remain inclusive and celebrate difference.

We have had to be flexible, but the science did not stop. The innovation did not stop. By our very nature we found new ways to work. The ocean has not gone away and the decade to 2030 will be a critical one for the health of the ocean upon which our lives and wellbeing so depend. This is why we look forward to engaging strongly in the work of the UN Decade of Ocean Science for Sustainable Development, with its bold vision to undertake the science we need for the ocean we want – clean, healthy, safe, productive, predicted, inspiring, and with information about it transparently accessible to all. The development of the new organisation and the arrival of COVID-19 did not detract from our work, if anything it enhanced it, as it was a reminder to all that change is healthy when you understand it and are flexible enough to work with it. Our first year has given us challenges we could never have predicted, yet the achievements of our staff are not at all surprising to us. Next year promises to be just as interesting, as we go back into a world in which people have had a stark reminder of how important science is in navigating our world.

Professor Ed Hill CBE
Chief Executive

25 March 2021
3. **Trustees’ Report - incorporating the Strategic Report**

The Trustees, who are directors for the purposes of company law, present their Annual Report together with the audited consolidated financial statements of the charity and its trading subsidiary for the year 1 October 2019 to 30 September 2020.

The directors of the Trustee Board during the year were:

- John Hirst, CBE
- Prof. Sir Ian L Boyd
- Ruth Boumphrey
- Sarah Kenny OBE
- Sarah McMath
- David Gee
- Daniel Hook

The National Oceanography Centre is a company limited by guarantee and a registered charity. The NOC is a company limited by guarantee and registered as a charity with the Charity Commission and the Scottish Charity Regulator. The NOC became an independent organisation on 1 November 2019 and is governed by its Articles of Association, adopted on 2 July 2018 and amended by Special Resolutions.

The Annual Report and financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

**Methods of appointment or election of Trustees and Equality, Diversity and Inclusion**

As part of Her Majesty’s Treasury (HMT) approval processes for the NOC to become an independent, charitable organisation approval was sought from the Chief Secretary to the Treasury for a derogation, to ensure that the NOC be classified as outside the public sector from the point of the transfer of its undertakings from UK Research & Innovation (UKRI). The NOC had three board members appointed from incorporation who were deemed to be public appointees. To ensure the Board appointments were consistent with an ONS classification of the NOC outside the public sector, we recruited four additional trustees to form a board of seven. These trustees were recruited with the support of a recruitment agency externally for independent appointment and met the requirements of private appointees, therefore the NOC’s ONS classification is that we are a fully private organisation.

Recruitment of new Trustees is undertaken as set out in the Articles of Association. All Trustees are appointed for an initial term of three years, at the end of which they shall retire. Trustees can then be reappointed for a further three-year term, with approval by the Board of Trustees. A Trustee shall serve for no more than six consecutive years, unless the Trustees consider it would be in the best interest of the NOC on an exception basis for a particular Trustee to continue to serve for one further term of up to three years, with a limit of nine consecutive years in office. Executive members are required to be in a minority of the board and the NOC currently have no executive members on their Trustee board. The Chair is appointed by the Board of Trustees.
3. **Trustees’ Report - incorporating the Strategic Report**

**Methods of appointment or election of Trustees and Equality, Diversity and Inclusion (continued)**

We aim to have fair, transparent appointment processes which ensure there are no restrictions on candidates and that enhance achievement of a diverse board, ensuring there is a balance of skills, diversity and background. We have in place a formal process to recruit and appoint new Trustees, including use of an external independent agency, which is reviewed by the Nomination Committee regularly to ensure it continues to be effective and fair. Before any appointment is made by the Board, the Nomination Committee will evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required, ensuring a wide range of candidates are considered. In addition, to ensure the Board is sufficiently skilled to carry out its responsibilities and to consider the diversity of the board, there is also a review undertaken of the board skills matrix analysis as part of the board annual review process.

**Induction and training of Trustees**

The NOC have policies in place on induction and training of trustees. As part of our on-boarding process, new trustees receive an induction to introduce them to our work, which includes introduction to each member of the Executive team, presentations, tours and meeting various colleagues to learn about the different functions of the NOC.

Each trustee has access to a trustee handbook which provides current good practice guidance on how they can contribute most effectively to the NOC, including the Five-Year Strategy, Articles of Association, our Values and Behaviours, relevant NOC policies and a wide range of other documentation. This pack also includes relevant Charity Commission guidance, such as The Charity Governance Code, ‘CC3 – The essential trustee’ and Public Benefit guidance. All trustees are required to sign up to a Trustees’ Code of Conduct and adhere to Trustee and NOC policies.

Training opportunities are provided to Trustees and where specific training needs are identified, these are arranged and delivered, facilitated where appropriate through external providers. Recent training has been made available to all Trustees on Essential Charity Governance.

**Review of board performance**

The NOC Board will undertake an annual review of its own effectiveness and in future, this will be supported through an external provider to ensure transparency and impartiality in this review.

**Organisational structure and decision-making policies**

**Board of Trustees**

NOC’s Board of Trustees are responsible for ensuring that NOC is carrying out its purpose for the public benefit, the continued financial viability of the organisation and for carrying the legal responsibility to assure that we meet all of our legal and compliance requirements. The Chair of the NOC Board, John Hirst, is responsible for leading the board of trustees and ensuring that they are effective in discharging their duties.
3. Trustees’ Report - incorporating the Strategic Report

Organisational structure and decision-making policies (continued)

They work to support but also challenge the Chief Executive and Executive team, to ensure that they are discharging their delegated responsibilities in successfully leading the organisation. In our first year as a charity, we have established a route for the trustees to regularly monitor and review the performance of the organisation against a set of key performance indicators that demonstrate our progress to delivery of our strategy.

The NOC Board meets formally at least four times a year. The board has standing agenda items covering strategy, performance, risk and compliance. This list is supplemented with other items of relevance to the Trustees’ role and responsibilities. During 2019-20 the NOC Board met seven times and in our first year there were numerous important themes. They reviewed and approved the Five-Year Strategy and associated performance measures (as reported on in Section 4), our new governance approach with particular focus on our internal controls, our new Risk Framework and development of our new People and Culture Strategy.

Sub-Committees

To assist the board with detailed scrutiny of specific subject matters and to make recommendations on those topics, we operate a number of board subcommittees. The committees are Chaired by a Trustee appointed by the Board and report directly to the Board.

Audit and Risk Committee

The Audit and Risk Committee meets at least three times a year. On behalf of the Board it has overall responsibility for financial reporting, internal control and risk management. It oversees the whistleblowing arrangements and the audit function, whilst maintaining an appropriate relationship with the external auditor. It exercises effective control by ensuring the organisation understands and meets its regularity obligations, has good financial and management controls in place, identifies and manages relevant risk and has an effective system of delegation in place. The committee acts independently from the NOC Executive, to ensure that the interests of the charity are properly protected in terms of monitoring the integrity of the company financial statements.

Remuneration Committee

The Remuneration Committee meets at least twice a year to provide a forum for developing policy on trustee and executive remuneration, recommend levels of remuneration for Directors and review the remuneration policy and reward package for all employees. It oversees any major changes in the employee benefits structure throughout the organisation. This year the committee has provided guidance and advice to the organisation in the development of its new reward and retention approach and to the Job Families programme.

Nomination Committee

The Nomination Committee has the role of leading the process for Board appointments. It makes recommendations to the Board to ensure there is a formal, rigorous and transparent procedure for the appointment of new directors to the board and reviewing and evaluating the balance of skills, knowledge, experience and diversity on the board. The committee’s recommendations are undertaken in line with NOC’s Articles of Association’s powers for Trustee recruitment. Trustee Board members serve up to a three-year term and can be reappointed for a further three years. The nomination committee is responsible for the long-term succession planning for future Trustees.
3. **Trustees’ Report - incorporating the Strategic Report**

**Organisational structure and decision-making policies (continued)**

*The Executive Committee*

The Executive Team, made up of seven individuals led by the Chief Executive (see page 1), is given delegations for the day-to-day leadership and operations of the NOC, focusing on delivering the NOC Five-Year Strategy. The specific details of delegations and authority are detailed in a Statement of Delegations, approved by the Board. The team meets monthly as it plays an important role in ensuring that we continue to be a successful and sustainable organisation that is adaptable and flexible. As a team they are committed not only to focus on the delivery of our core activities, but also to look forward to ensure we remain sustainable as an organisation, able to respond to changing trends and external factors.

**Pay policy for Senior Staff**

During the year one Trustee received remuneration as disclosed under note 9 to the financial statements. Details of the Trustees’ expenses incurred in the course of their duties are reimbursed and is disclosed under note 9.

The Chief Executive Officer’s remuneration package is reviewed annually by the Board of Trustees who review benchmarking data from comparable sized charities, regional companies and from NERC Research Centres and assess performance against objective set for the year.

The remuneration of the remaining members of the Senior Management Team is reviewed by the Remuneration Committee (see above), with recommendations made to the Board of Trustees for its approval.

**Related Parties**

The NOC is eligible to bid for funding from UKRI, including NERC. NOC manage the National Capability funding on behalf of NERC working in partnership with marine centres throughout the UK.

The NOC’s wholly owned subsidiary, National Oceanography Centre Innovations Limited, was established to undertake more applied and commercial work, to facilitate knowledge exchange and encourage innovation. It may gift aid its profits to NOC.

**Governance framework**

Good governance is fundamental to the sustained success of the NOC. Our governance framework provides critical assurance through risk management and internal control.

The NOC adheres to the principles of the charity governance code to underpin its governance framework, providing a strong focus on the behaviours and standards required by the organisation that will develop a good governance culture. In our first year as a charity, there has been a significant amount of resource and attention focused on our governance structure and approach, this has been reviewed and approved by the NOC Board of Trustees.
3. Trustees’ Report - incorporating the Strategic Report (continued)

Information Governance and the Cyber Landscape

In recognition of increased risks within cyber landscape, during the summer of 2020, the NOC Audit and Risk Committee assessed NOC’s approach and resilience to cyber threats. We provide regular education and awareness sessions for staff, regularly review the effectiveness of our technological defence capabilities, assess emerging and persistent threats and take proactive and remedial actions to keep our risk exposure to an acceptable level. We have invested in a number of areas including upgrading our firewalls across both of our sites and invested in dual authentication for remote working. As an organisation we attained and maintained our Cyber Essentials accreditation, demonstrating our Information Security maturity.

Conflicts of interest

The NOC operate a Conflict of Interest policy that applies to all of the Trustees. We maintain a public register of interests and ensure that conflicts of interest are discussed and reviewed at the start of each board meeting. When conflicts of interest are declared, and where there was any perceived conflict, the member would be excluded from the relevant conversations and any decision on the subject matter. There were no externally reportable conflicts of interest declared or discovered in 2019-20.

Complaints and feedback

It is the NOC’s policy to conduct all of our business in an honest and ethical manner. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships, no matter where in the world this takes place and with anyone we come into contact with. The NOC have accessible and clear complaints and feedback reporting facilities on the NOC external website and any feedback, positive or negative, is reviewed by the Trustee Board. In the year 1 November 2019 to 30 September 2020 the NOC did not receive any complaints related to fundraising.

Serious incident reporting

There were no serious incidents reported to the Charity Commission during 2019-20.

Significant governance and control issues

During 2019-20 there was one incident of concern with regards to internal control. An employee reported a potential GDPR breach during the first month of the roll out of our new ERP system. Prompt action was taken to resolve the issue, with further work completed to review the delegation and controls embedded within the system. We are now confident in the controls. The NOC notified the Information Commissioner’s Office (ICO) to seek further advice and guidance, and the ICO confirmed that they considered no further action necessary.
3. Trustees’ Report - incorporating the Strategic Report (continued)

Trustees’ indemnities

NOC’s Articles of Association, Article 41, entitles the Directors and former Directors of NOC to an indemnity against liability incurred by them to a third party in the proper performance of their duties. This applies to any liability incurred by virtue of their role as a Director or Officer. The indemnity and any insurance provision must not indemnify a Director against certain liabilities as set out in section 189 of the Charities Act 2011 which include a fine as a result of criminal proceedings and a penalty imposed by a regulatory authority as a result of non-compliance.

The governing document also gives the powers for NOC to take out (and pay for) indemnity insurance for the Trustees. Insurance of this nature is designed to indemnify directors/trustees against any personal liability arising from the following (providing they were not purposeful actions):

a) any breach of trust or duty committed by him/her in his/her capacity as charity trustee or trustee for a charity; and
b) any negligence, default, breach of trust or duty committed by him/her in his/her capacity as a director or officer of the charity.

Before exercising the power to take out such insurance, the Trustees must be satisfied that it is in the best interests of NOC.

Members' liability

The Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees’ Report is approved has confirmed that:

• so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and;

• that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.
3. **Trustees’ Report - incorporating the Strategic Report (continued)**

3.1. **Objectives and Activities**

All of our charitable objects are developed to benefit the public and the world in which we live together.

1. **The advancement of science**, in particular enhancing the scientific knowledge and understanding of oceanographic sciences, and the ocean and its interaction with the earth system, and facilitating the use and application of that knowledge and understanding, particularly by:

   a. Undertaking and causing to be undertaken research including through technology development, experimentation, analysis, long term ocean observation, monitoring, mapping, survey and modelling of a high international standard and disseminating the useful results of research

   b. Providing access to scientific research and technology development facilities and infrastructure including research ships and other measurement platforms and systems to the ocean science community

   c. Obtaining, managing, curating and providing access to digital data, samples and other specimens

   d. Being the UK national focus for ocean science, exercising leadership for and promoting cooperation with the wider UK science community, and providing national and international visibility and expert representation for oceanographic sciences

   e. Innovation or by encouraging and supporting innovation

2. **The advancement of education in oceanographic sciences**, and the ocean and its interaction with the earth system and relationship with people, particularly by:

   a. Contributing to the education (particularly post graduate higher education), training and development of the next generation of scientists, engineers, technologists including the supervision of postgraduate research students

   b. Supporting the building of marine research scientific and technical capacity in other countries around the world

   c. Communicating with and engaging with the public in relation to ocean science and technology through seminars, talks, leaflets, papers and other means

**Our beneficiaries**

We exist to make a difference, so our beneficiaries are at the forefront of all we do. They include:

- The public all over the world - inspiring, informing and educating
- Marine life and ecosystems - protecting our world so it works in harmony
- Scientists, engineers and researchers - nationally, internationally and in developing countries
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.1. Objectives and activities (continued)

• Young people and students - encouraging study, research and careers in oceanography
• Government - informing decision making through robust evidence
• Offshore operators - ensuring those who use the ocean do so in a safe and sustainable way
• NOC teams - making sure our people have a career that inspires and motivates them

3.2. Public Benefit Statement

In setting the vision and mission for the NOC, the Trustees gave due consideration to the guidance on public benefit, as outlined by the Charity Commission of England and Wales and the Scottish Charity Regulator OSCR.

The NOC’s key driver for selecting topics for research is always what will take ocean science forward for the furtherance of our charitable purpose (Section 3.1), our touchstone in all endeavours is providing public benefit.

To enable the organisation and individuals to exercise independent discretion in this decision making we have established an Activity Decision Tree. Its general principles are applied when deciding whether activity is routed through the NOC or NOC Innovations Ltd - the trading subsidiary of the NOC. This includes examination of ethical considerations, reputational risks, organisation and scientific independence of the NOC, where the benefit is accrued and risk and mitigations thereof (see Section 3.10).

Where contract research is undertaken by NOC CLG we do so in line with the Commission’s guidance on Research by Higher Education Institutions, and ensure it is funded at full cash cost. The NOC retains scientific control of any IP licensed so that it can continue to advance science and technology for the benefit of the public.

The NOC and NOC Innovations Ltd bring benefits in a number of ways, including through scientific research, marine technology, education, information and advice. Through our work, we aim to:

1. Understand climate change
2. Reduce pollution of the ocean
3. Secure and protect ocean resources and ecosystems, which provide food, minerals and clean energy
4. Protect coastal communities from erosion, extreme weather and flooding
5. Educate people all over the world about ocean issues
6. Support overseas nations in growing their ocean science and capability
3. **Trustees’ Report - incorporating the Strategic Report (continued)**

3.3. **Strategies for Ensuring Delivery of Objectives**

We know our planet and our ocean is constantly changing. Understanding the breadth of environmental challenges, now and in the future, is an ongoing endeavour. It is with this insight that we align our annual objectives to our Five-Year Strategy ‘Defining our Future: Strategic Priorities 2020-2025’ and then develop proposals for the required funded projects to deliver our objectives, to sustain maintenance of our capability and enable growth through investment and capital funded projects. This long-term outlook ensures we are always pushing forward the realms of science, integration and innovation, and that we deliver on our Charitable Objectives in the days and decades to come.

The first four goals of our Five-Year Strategy relate directly to different aspects of our primary purpose of advancing science for public benefit;

**Goal 1**
**Undertake internationally excellent research and technology development to advance the frontiers of knowledge about the ocean**

We deliver for the highest standards of research excellence and pride ourselves on our capabilities to observe, model and tackle challenges. Our current priorities are climate and the carbon cycle; coastal zone and shelf seas; sea floor resources and habitats; platform, sensor, model and data systems development. We work in partnership to do this, as well as inspiring and training the next generation of scientists to ensure there is a future for our community of innovative and leading researchers.

**Goal 2**
**Create public benefit from all of the NOC’s capabilities**

We lead the UK marine science community and have a major part to play in influencing the international agenda. We are the trusted source for data, information, samples and advice to international partners and the UK Government to ensure policy is developed through evidence and independent advice. We support the delivery of the UN Sustainable Development Goals and the ambitions of the UN Decade of Ocean Science for Sustainable Development 2021-2030.

**Goal 3**
**Successfully translate world-leading and innovative research and technology developments to achieve wider impact**

We engage users of the ocean to understand the challenges and help shape new science questions. We work in partnership with businesses and other organisations to generate new products and services that benefit the public and those in marine industries.
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.3. Strategies for Ensuring Delivery of Objectives (continued)

Goal 4
Provide world-class underpinning capabilities that enable the UK and global ocean scientific endeavour

We operate two of the most advanced oceanographic research ships in the world as well as Europe’s largest pool of marine science equipment and associated expertise available to support excellent scientific discovery. Our ocean observation capabilities mean we can explore and seek to understand previously inaccessible environments such as beneath the ice shelves of Antarctica. We can map, analyse and understand the sea floor and the ocean above through the most advanced artificial intelligence and expertise.

The remaining three goals enable those above.

Goal 5
Responsibly grow and diversify revenue to sustain our mission with a critical mass of scientific and technical capability

Goal 6
Transform the way the NOC is governed and operated

Goal 7
Invest and reinvest in the NOC and its people
3. **Trustees’ Report - incorporating the Strategic Report (continued)**

### 3.4. Activities undertaken to achieve objectives

A series of interdisciplinary activities sit beneath each of these seven goals and their progress is reported on quarterly with qualitative and quantitative information against agreed Key Performance Indicators. The strategic goals are reviewed annually by the Trustees. An example of some of the achievements during the year are:

<table>
<thead>
<tr>
<th><strong>ADVANCE</strong></th>
<th>Demonstrate academic impact</th>
<th>282 papers published in high impact international scientific journals</th>
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</thead>
<tbody>
<tr>
<td><strong>SHARE</strong></td>
<td>Build awareness of our new brand and charitable status</td>
<td>Executive strategy ‘Defining our Future 2020-2025’ launched</td>
</tr>
<tr>
<td><strong>INNOVATE</strong></td>
<td>Grow our Marine Robotics Innovation Centre</td>
<td>3 new memberships</td>
</tr>
<tr>
<td><strong>ENABLE</strong></td>
<td>Champion a sustainable oceanographic research infrastructure</td>
<td>Secured £250k UKRI funding for scoping new methods of delivering oceanographic data collection via considering Net Zero Carbon</td>
</tr>
<tr>
<td><strong>GROW</strong></td>
<td>Expand robotics programme nationally and internationally</td>
<td>New partnerships with Dstl, UKRI - Innovate UK, Lloyds Register and the EU</td>
</tr>
<tr>
<td><strong>TRANSFORM</strong></td>
<td>Commit to higher moral and ethical standards, beyond mere legal compliance</td>
<td>Implemented Sustainability and Social Responsibility Strategy [see Section 3.7], Risk Management Framework, Enterprise Resource Planning system</td>
</tr>
<tr>
<td><strong>PEOPLE AND CULTURE</strong></td>
<td>Support staff’s physical, psychological, social and financial wellbeing</td>
<td>Implemented ‘Working Well, Living Well’ strategy</td>
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</table>
3. **Trustees’ Report - incorporating the Strategic Report (continued)**

3.5. **Equality, Diversity and Inclusion**

We recognise that we cannot successfully achieve true public benefit or achieve our objectives for all without a strong and shared commitment to equality, diversity and inclusion (EDI). At the NOC we value individual differences and the rich diversity that this brings. We want to ensure that no-one is at a disadvantage or feels excluded because of who they are, what they believe in or the experiences that they bring. We have a moral responsibility to recognise and change behaviours within the NOC, our community and the wider world, to support this vision. As such the Executive and Board published this statement on our website:

We are committed to promoting equality, diversity and inclusion across our organisation and in our approach to working with others outside the organisation. As such, we aim to have a diverse workforce with colleagues from all backgrounds. We are committed to equality in the workplace and to unlocking the creative and innovative potential that comes from diversity so all our people feel valued and are able to perform at their best by being able to be themselves at work - so all are included and no one feels left out because of their race (including colour, nationality, ethnic or national origin), age, gender identity, religion and beliefs, disability, sexual orientation, social background, marriage and civil partnership, pregnancy and maternity. We will actively seek to avoid discrimination on the grounds of the above characteristics. The NOC does not, and will not, tolerate racism nor any other forms of prejudice and discrimination, that ultimately undermines the dignity and value either of its colleagues or anyone else.

Our commitments extend beyond our duties and requirements under the Equality Act. They are fundamental to who we are and why we exist. Through a dedicated and inclusive culture, strong human empathy, alongside the strength of our policies, procedures, expectations and ways of working, we continue to create a positive and supportive environment for everyone, allowing them in reaching their full potential and in bringing out their very best self.

NOC is committed to protecting the dignity of all its staff, its visitors and its partners, both in their work and their interactions with others. This includes providing a working and learning environment that is free from discrimination, bullying, harassment and victimisation. It should be noted that discrimination, bullying, harassment and victimisation do not only take place face to face, they may also occur in written communications, by email, or by phone.

We recognise and take seriously our duty of care to staff, understanding that inappropriate behaviour can result in stress and stress-related illness. All staff, and especially those who have responsibility for other members of staff, share this duty of care. We therefore expect all members of our community to treat each other with respect, courtesy and consideration. All staff have the right to expect professional behaviour from others and have a corresponding responsibility to behave professionally towards others.
3. Trustee’s Report - incorporating the Strategic Report (continued)

3.5. Equality, Diversity and Inclusion (continued)

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Group and the Charity carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Group and the Charity has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers’ policy
- Health & safety policy

In accordance with the Group and the Charity’s equal opportunities policy, the Group and the Charity has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Charity’s offices.

3.6. An Overview from our Director of Science and Technology

At the NOC we have a shared goal around driving continuous improvement in all we do, innovating delivery and being a learning organisation. Much of our work is about creating new insight, to help us truly understand the impact the ocean has on our lives – there is so much we still do not know and we really want to learn. The ocean is, on average, 4km deep and we have only explored part of it; it is estimated that we have only identified and classified about 10% of the species inhabiting our ocean, and have mapped only about a fifth of the sea floor. Our activity is about exploring the unknown and finding new ways and technologies to help that discovery; whilst ensuring we give open access to data and publish our findings.

Our research makes a difference nationally and internationally. We can help people with weather forecasting, protecting coasts from hazards, and working out how to care for marine protected areas. The ocean is a shared responsibility so we work in a coordinated way with a range of countries, because none of us can possibly observe and manage the ocean alone. We work in partnership and at scale, from the base of the ocean to the coastline.

Together, we can not only efficiently and effectively observe the ocean but transform the ways in which we understand it. Some of these innovations include exploring more sustainable ways to carry out ocean going observations, new sensors and platforms, as well as ways of using satellites rather than taking samples using ships. Argo floats are a good example of how innovation can revolutionise our work – within 10 years of this technological advance, we had completed more deep profiles of the ocean than we had in over 100 years of ship-based measurements. In partnership, our large-scale global observations help us address really important questions like climate change and loss of biodiversity.
3. **Trustees’ Report - incorporating the Strategic Report (continued)**

3.6. **An Overview from our Director of Science and Technology (continued)**

Working with the ocean means aiming for a strong sense of balance. We want to use the ocean’s wide-ranging resources, but also maintain its health. It is a hugely important economically – vital for renewable energy, medicines, food and trade. But if we do not use it safely, there is a lot to lose, such as marine species, biodiversity, and endangered regions such as coral reefs.

There have been many highlights over the last year. Throughout ‘lockdown’, our scientists kept working, bringing in new grants and getting exciting papers published. We have focused on what we can do, not what we can’t do. We have produced work on climate change; fed into the G7 and the United Nations Decade of Ocean Science planning; and we are planning for some large-scale research programmes. We are looking at how we take our large-scale observations into the coastal environment, so we can help people who live in coastal communities to manage hazards, resources, and look after their area, giving them tools and new technology. This is so important to the NOC – we are living and breathing what we know and talk about, sharing that knowledge and expertise to make a real difference to lots of people.

I am really proud that some of our fantastic early/mid-career researchers have been awarded prestigious fellowships. We feel very lucky to have such exciting young scientists working at the NOC and are committed to supporting people in their professional development. Our job is about enabling scientists; by having the strategic vision to create opportunities for them. My aim is for our scientists and researchers to thrive by doing what they love.

Next year is not just about the science we do, but how we use some big opportunities to really engage with people and Government to help them realise the importance of the ocean. Next year sees the launch of the UN Decade of Ocean Science and the UK having the G7 presidency. I’m also excited about the global climate conference, COP26, which we will use to emphasise the vital role the ocean plays in our climate, absorbing heat and carbon dioxide. People are concerned about climate change; the loss of biodiversity; plastic pollution. What we do matters.

**Professor Angela Hatton**  
Chief Scientist
3.7. Key Achievement and Performance

To progress our Five-year Strategy, we have undertaken significant work in each of the seven goals. Much has been highlighted previously by our Chief Executive and Director of Science and Technology but here we outline measurable impacts from 2019-20 and our future plans.

**Goal 1: Advance**

*Undertake internationally excellent research and technology development to advance the frontiers of knowledge about the ocean*

The first year of independence for the NOC has been a very successful year for the interdisciplinary science, engineering, technology and support collaborations at the heart of the NOC. These powerful partnerships allow us to deliver world class science that has impact judged by the high number of papers published in high impact international scientific journals, and in terms of converting our scientific knowledge into measurable impact for society, both on a national level and an international level. This year we advanced our understanding of the most pressing issues facing humankind, including microplastics, climate change and deep-sea mining. In 2019-20:

- **282** Academic papers published
- **60** Projects funded from national, international and commercial funding organisations
- **4** Early Career Researcher fellowships granted by NOC-led research programme CLASS
- **50** New PhD studentships over the next 3 years as part of the new Centre for Satellite Data in Environmental Science (SENSE)
- **•Professor Penny Holliday received SUT Oceanography Award**
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.7. Key Achievement and Performance (continued)

In focus, projects from 2019-20

Plastic Ocean
Mike Clare a NOC expert in deep sea currents and mass transfer showed that hotspots of high micro plastic pollution exists on the seafloor, transported there by deep sea currents. This could in part explain why we are unable to account for most of the plastic we have put into the ocean. In linked work, Mike and others found that these deep-sea currents were not only a transport mechanism, but the associated mass movement was able to bury plastics in the deep ocean. Work by one of our Early Career Researchers, Dr. Katsia Pabortsava, demonstrated that we had grossly underestimated the amount of plastic waste that was in the ocean. Finding the plastic is one issue, showing the harm that it does is another. Dr. Alice Horton, another Early Career Researcher has determined that even remote ecosystems are vulnerable to plastic pollution and may be even more sensitive than other environments.

Climate Change
We continue to publish widely in the arena of the science related to climate change and its increasing impacts on the oceans and ultimately mankind. Current work has highlighted how the increasing ice melt is impacting ocean circulation, and how the changing climate is affecting coastal communities through storm surges and sea level rise. Linked to this we are actively investigating how we may apply technological approaches to mitigate rising Co2 (carbon dioxide), for instance through carbon capture and storage and farming adaptations, including how we can use advanced modelling methods to study the migration of fluids deep below the ocean floor to increase our ability to monitor storage reservoirs offshore.

Academic Impact
We have had a great year for publications, NOC scientists have had papers published in all the major high impact journals, including Nature, Science and Proceedings of the National Academy of Sciences of the United States of America (PNAS). We continue to publish ground-breaking work in all the specialist journals. Early Career Research grants and PhD fellowships allow us to support and train the next generation of researchers that will continue this world-leading legacy.

Expert Influence
Our staff continue to be called upon to provide expert advice to the Government and international expert bodies. Dr Stephanie Henson is a Lead Author on the Intergovernmental Panel on Climate Change’s (IPCC) 6th Assessment report for WGI on the chapter “Carbon and other biogeochemical cycles and feedbacks”. She is also a Contributing Author on the WGII report on the chapter “Ocean and coastal ecosystems and their services”.

Several NOC scientists contributed to the Marine Climate Change Impacts Partnership (MCCIP) 2020 Report Card and we are the highest-represented organisation (13 named staff, alongside the Centre for Environment, Fisheries and Aquaculture Science (CEFAS), also 13). Examples of NOC-authored evidence contributions include:

Matthew Palmer

Kevin Horsburgh
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.7. Key Achievement and Performance (continued)

**International partnerships**
Dr Ekaterina Popova led the SOLSTICE project that fed into the negotiations of UNCLOS (UN Convention on the Law of the Sea) on Areas Beyond National Jurisdiction (ABNJ). The SOLSTICE project, funded by the GCRF, has been widely lauded as a great example of natural scientists working together with social scientists and economists to better understand the importance the oceans have on coastal communities in the Western Indian Ocean. The project has produced an innovative MOOC (Massive Open Online Course) exploring these issues in the region which attracted more than 2500 learners from 110 countries. MOOC represents one of the lasting project legacies which will support and enable the education and training of future generations of scientists in the Western Indian Ocean region, as well as around the world.

Through our work in the Commonwealth Marine Economise (CME) programme we have been widely engaging with island states across the globe, increasing knowledge exchange and building capacity, both intellectual through training courses, and physical through the roll out of monitoring equipment to address global challenges such as ocean acidification, sea level rise and coastal eutrophication. We have worked for instance in the British Virgin Islands on developing a marine planning approach to support that nation’s Blue Economy.

**Deep-sea mining**
Scientists still have a lot to learn about the deep-sea environment. The European Commission is engaged in a variety of studies and projects aimed at understanding the benefits, risks and knowledge gaps with this type of mining. We are working with national and international partners to ensure that these developments are informed by scientific evidence and minimise disruption to the seabed. The NOC has been influential in the development of national and international regulations for the safer exploitation of minerals in areas beyond national jurisdiction (governed by the International Seabed Authority – ISA), as well as capacity building in developing economies.
Goal 2: Share
Create public benefit from all our capabilities

We recognise that there is only one ocean and to get the best from it, we have to work together globally through sharing knowledge and encouraging education. With education and ocean literacy as our charitable objective, this goal was particularly critical across all our strategic planning this year. We aimed to not only grow interactions with our public audience but foster new and lasting international partnerships with other oceanographic institutions, as well as other marine and climate organisations in the UK. In 2019-20:

- Social media interactions: 59,093 (4% above target)
- Video views: 102,699 (0.8% below target)
- Visits to the website: 192,845 (12% below target)
- Times representing the NOC at national and international boards: 138 (38 over target)
- Public events including: 16 (4 below target)
- Our first 360-degree virtual tour of the RRS James Cook
- Major exhibition in collaboration with National Maritime Museum Cornwall
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.7. Key Achievement and Performance (continued)

In focus, projects from 2019-20

Brand building
This year we have been looking at how we translate our complex science so people understand its impact on humankind. We have been talking to our own people and our stakeholders about what we stand for at the NOC and how we can best serve our local, national and international communities through the best research, the newest innovations and the soundest advice. At the end of this year we launched our refreshed website to reflect this feedback, as well as the changes in our governance, to bring our knowledge directly to our beneficiaries. Whilst we saw website visits and video views drop below our annual target, as we froze content to focus on this change over, we hope our efforts to make it more accessible (e.g., ALT text on photos, subtitled videos) will exceed targets next year.

Leading the way
Over the year, we provided leadership for the UK community in both advising our Government and devolved administrations and representing the UK in the global arena. We offer scientific expertise and trusted information to a wide range of partners so we can all work together for the good of the ocean and those who rely on it. Early in the year we contributed to a new European Marine Board (EMB) Position Paper which provided an overview of the current European research vessel fleet and its capabilities and recommended ways in which it should evolve to meet future science needs.

Inspiring others
As a charity, we recognise we need to do more outside the science and political communities that have been our home. We have been making every effort to organise more public engagement activities, so people in our communities understand more about the ocean. We also aim to inspire young people to become more involved in ocean issues, as aspiring oceanographers of the future. In the last year, we attended science festival and school events, and increased our digital engagement to broaden our reach to new audiences. When the research ships are overseas, we invite local groups to come and see our amazing facilities. This year we were able to visit Canada and Chile before going into lockdown. However, our targets for engagement across business, government and the public have been negatively impacted by COVID-19 as we adjust to more online engagement.
3.7. Key Achievement and Performance (continued)

Goal 3: Innovate
Successfully translate world-leading and innovation research and technology developments to achieve wider impact

It has been a successful year for our business development as we continue to diversify our income streams in line with our new corporate governance. We have adapted very well to different working practices to ensure that our teams remain safe during the pandemic and can continue to further our engagement with the marine industry. Whilst we have not physically hosted all our planned events, we have embraced new virtual platforms and have remained close to our industry partners through our growing Marine Robotics Innovation Centre. In 2019-20:

- Led 18 bids for new projects and contracts totalling **£5.8m**
- Successful bids will deliver revenue potential of more than **£815,000**
- 3 new organisations joined the Marine Robotics Innovation Centre, now totalling 16 partners
- Full capacity at flagship event Marine Autonomous Technology Showcase 2019
- 1 new licence agreement signed for the commercialisation of new technology along with the renewal of an existing licence
- Commercial revenue increased by over **£100,000** vs 2019

In focus, projects from 2019-20

Software Platforms
2020 was a significant year for the development in our existing ocean and tidal modelling suite of software platforms. We grew our software scope by incorporating global data, which enabled us to cover a truly global picture to users and took major steps in the development of offering cloud-based software portals and API services to further complement our existing platforms. This has given us a sound platform to grow our customer base which now stands at 270 users from a diverse range of sectors.
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.7. Key Achievement and Performance (continued)

Marine Robotics Innovation Centre
Membership of our Marine Robotics Innovation Centre continued to grow this year with three new organisations joining. The breadth of experience and capabilities of our members demonstrates the increasing value of this centre in driving innovation in marine engineering and technology in the UK and beyond.

Events and Industry Groups
Despite the impact of COVID-19 on physical events over the last nine months we have adapted well and moved as many events as possible to virtual platforms. At the end of 2019 we held our annual Marine Autonomous Technology Show which was a great success. We had record numbers of registered delegates with over 300 in attendance, 36 exhibitors and 45 abstracts submitted. Furthermore, our membership on marine industry and related industry committees continues to grow with NOC business development representation on six committees and professional forums.

Goal 4: Enable
Provide world-class underpinning capabilities that enable the UK and global ocean scientific endeavour

On behalf of the UK’s science community we manage and operate two world class research ships and the National Marine Equipment Pool (NMEP). We’re also home to the British Oceanographic Sediment Core Research Facility (BOSCORF) and the British Oceanographic Data Centre (BODC). This year these facilities have been hard struck by COVID-19, but our staff have shown exceptional commitment in the face of closed workshops, offices and berthed ships. Expeditions were suspended while we developed and ensured Covid-safe working conditions. This impacted on the maintenance of NMEP equipment and training of staff which is reflected in the 2019-20 outcomes below. The majority of engineering capabilities assessed as not ‘ready-to-go’ are associated with marine geophysics and there are actions in hand to address this in 2020-21.
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.7. Key Achievement and Performance (continued)

In 2019-20:

- 17 of 24 scientific engineering capabilities in ready-to-go state
  - (7 below target)
- 7 of 8 MARS capabilities in a ready-to-go state
  - (1 below target)
- 75% of technicians Tier 1 qualified
  - (20% below target)
- 100% of data transferred to Principle Investigator within one week of demobilisation
- £250k funding for NERC Scoping Project
- National Marine Technology Roadmap 2020-21 accessed 1443 times

In focus, NMEP success from 2019-20

**RRS James Cook**
The James Cook completed a commissioned-research expedition for the Canadian Department of Fisheries and Oceans in November before passing south to Florida and picking up a transect along the 24N line of latitude.

This expedition (part of the long-term RAPID project led by the NOC) set out to measure one of the world’s largest systems of ocean currents, the Atlantic Meridional Overturning Circulation (AMOC). Whilst the initial project began in 2004 it continues to evolve with each expedition by using and supporting innovative technology to understand the natural variation of the ocean and climate system and its impact on weather.

Since the lifting of the first lockdown and the resumption of activities, the James Cook completed her annual refit and conducted a research expedition off the coast of West Africa as planned.
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.7. Key Achievement and Performance (continued)

RRS Discovery
The ‘CUSTARD’ expedition set sail on RRS Discovery over Christmas 2019 to study the seasonal growth of tiny marine plants called phytoplankton and their impact upon the storage of carbon in the ocean. This research project was led by NOC scientist Dr Adrian Martin and is part of a programme of research exploring the role of the Southern Ocean in the earth system.

In February the ‘ORCHESTRA’ expedition completed 104 casts measuring conductivity, temperature and depth along three sides of the Scotia Sea and into the Weddell Sea, as well as the first hydrographic survey in the western arm of Cumberland Bay, South Georgia. This is part of a 5-year research programme led by the British Antarctic Survey with NOC scientists playing key roles in the measurement and modelling elements.

Upon resumption of the programme the Discovery completed her annual refit before resuming scientific research expeditions.

National Marine Equipment Pool
While the ships are the most obvious part of the NMEP it also provides a full suite of equipment, maintained and operated by 50 ocean-going technicians, to enable global oceanographic research. This resource is available to the whole UK marine research community as well as international partners. Targets to have 95% of the NMEP in a ready-to-go state and getting 95% of technicians trained to Tier 1 were unachievable due to the COVID-19 conditions which postponed much of the NMEP programme. However, shore-launched, glider missions did continue throughout COVID-19 thanks to our partnership with the Scottish Association of Marine Science.

BODC success from 2019-20

- New registered web users from 99 countries: 2,547
- NERC Vocabulary Service (NVS) downloads above 2018-19: 6,274,624
- NERC Vocabulary Service (NVS) sessions above 2018-19: 257,448
- Accessions (data deposits) received: 2,906,963
  - 12 below 2018-19: 235
- Series (individual datasets) available to download: 134,586
  - 3,835 above 2018-19: 483
- Datasets processed: 9,481
  - Argo datasets sent to Met Office: 5,564 below 2018-19
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.7. Key Achievement and Performance (continued)

NERC Vocabulary Service
The NVS is a flagship product managed and developed by BODC, which was adopted by the Argo programme this year to provide controlled vocabularies for processing and describing their data. We are proud the quality of our product made it the number one choice for this international collaboration and is a major step forward in providing interoperability for the Argo data.

Data dissemination
In September 2020, BODC released the first sample datasets through their new operational ‘ERDDAP’ service, providing web access to these data for the first time. This service allows direct download of data catalogued on the Marine Environmental Data and Information Network (MEDIN) portal, as well as online visualisation and sub setting of required parameters. This will now become a standard route for dissemination of new samples data ingested at BODC, an innovating way forward for easy data sharing.

GEBCO impact
As users are no longer required to register to download the General Bathymetric Chart of the Oceans (GEBCO) data we saw a drop in our web users. However, GEBCO is also one of our major highlights of the year. The 10-fold increase in the access of data subsets from GEBCO products is largely due to the introduction of the hugely successful download application developed at BODC. Launched in November 2019 it allows subsets of data to be selected in a variety of formats.

BOSCORF success in 2019-20

- 45 Sediment core samples, a total of 230m, from JC187 were accessioned to the BOSCORF sample collection
- 670 m Of sediment core was analysed on BOSCORF’s non-destructive sediment core logging instruments
- 850 m Of sediment core was imaged on the facility’s core imaging system
- 6083 Individual subsamples were taken from 58 sediment cores
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.7. Key Achievement and Performance (continued)

Training and project support
Two formal training courses on sediment core processing and logging techniques were delivered to 14 unique facility users during this reporting year. In addition, informal training and project support was delivered to a further 60 facility users.

Outreach and further engagement
BOSCORF has participated in a number of outreach and public engagement activities including the delivery of undergraduate-level training days at the University of Hull and King’s College London, the Girls into Geoscience virtual event, numerous talks at universities, and regular tours of the facility to NOC visitors.

New equipment
A new XRF (X-ray fluorescence) system provides instant geochemical compositions, including rare-earth elements (REEs), of hand specimens and sediment cores at sea and in the laboratory. This is a new science community asset to be utilised by NOC’s National Marine Facilities (NMF) and BOSCORF’s diverse user base within the environmental sciences.
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.7. Key Achievement and Performance (continued)

Goal 5: Grow and Diversify
Responsibly grow and diversify revenue to sustain our mission with a critical mass of scientific and technical capability

We recognise that as a new independent organisation, we need to consider new ways of funding our critical work. One of the benefits in doing this is that we can develop new partnerships, which benefit the ocean and ensure the NOC is sustainable too.

In focus, projects from 2019-20

Ships and robots
The ships we operate supported research expeditions for organisations like fisheries bodies (CEFAS and Fisheries and Oceans Canada (DFO)), as well as the British Antarctic Survey and the EU STEMM-CCS programme. Our robotics programme attracted a wide range of partners including Dstl, Innovate UK, Lloyds Register and the EU.

Trading Subsidiary
Our NOC Innovations Ltd trading subsidiary has been affected by the challenges of COVID-19, especially in the events function, which normally brings in a small level of revenue. However, this has been counter-balanced by welcoming new members to our Innovation Centre, a shared space where like-minded businesses can share ideas, skills and expertise, carrying out innovative collaboration projects.

Offshore Energy
An area where we aimed to expand our work is in the offshore energy sector, in both wind power and subsea oil and gas infrastructure. One such area is the use of our Auto-sub Long Range where we engaged with one oil company in utilising the technology for pipeline surveys, as it offers a significantly reduced cost over traditional method, is safer, and is largely carbon neutral. We will be pursuing this opportunity in 2021.
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.7. Key Achievement and Performance (continued)

Goal 6: Governance
Transform the way that NOC is governed and operated

We have made great steps on our journey to transform the way in which we are operated and governed. Over the past year we have successfully transitioned from an organisation led by government to become an independent charity.

In focus, projects from 2019-20

Trustees
Our Board of Trustees have been inducted to the NOC and have supported the organisation in setting and affirming our direction through our new strategy. We have successfully implemented new governance, audit and assurance frameworks, that ensure that not only are we are legally compliant but that we work in sustainable and transparent ways.

Support
The NOC has embarked on a transformation programme of the Corporate Business Support division, aimed at improving the service provision but also improving its adaptability to meet the ongoing future needs of the organisation. This transformation programme has resulted in a number of new corporate initiatives and strategies, with a number to follow next year, all aimed at improving our efficiency and effectiveness. We have successfully established new service functions for the NOC such as procurement and payroll support.

Policy
During our first 12 months operating we have put considerable effort into creating a new policy framework to support improved operations but also enable clear roles and responsibilities. We continue to keep this under review and are always keen to take feedback as to how we improve our approaches and ensure that we continue to learn from the feedback we receive.
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.7. Key Achievement and Performance (continued)

Goal 7: People and culture
Invest and reinvest in the NOC and our people

Our 657 colleagues embody the passion and values at the heart of everything we do. Working internationally from two UK offices and two Royal Research Ships, they represent a wide variety of backgrounds and interdisciplinary professions — including, but not limited to, scientists, mariners, engineers, software developers, and professional support staff. We believe a diverse and talented workforce, who feel inspired by our mission and values, is key to long term corporate success and personal prosperity. To ensure this we invest and reinvest in their development, progression and wellbeing.

In 2019-20:

- Of our staff have formal flexible working patterns, many more flex their hours informally
- We hired 91 people in permanent and fixed term roles across all disciplines across the NOC. 72 experienced hires were recruited externally
- In a recent ‘working in lockdown’ survey, 85% of responding staff felt they were able to work flexibly if they wished to in their current positions
- Of staff said that the NOC is committed to creating a diverse and inclusive work environment
- Training courses attended by 281 members of staff
- 34% of our workforce (657) and 30% of our management (167) are women, including 3 out of 7 Board members. Our workforce includes around 433 men, with 117 in management roles
- First year we published our gender and BAME pay gaps
- Live wellness webinars held 344 times live and 446 times on demand
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.7. Key Achievement and Performance (continued)

Sustainability and Social Investment

During our first year operating as a charity we have developed a Sustainability and Social Responsibility strategy; this builds upon the great work we had previously undertaken as a government organisation. Charities bear an extra responsibility to be sensitive to social, cultural and environmental aspects of their operations, with an emphasis on higher moral and ethical standards, beyond mere legal compliance. By continuing to commit to sustainability and social responsibility we are making a considered and deliberate inclusion of employee, stakeholder and public interest into corporate decision making that exceeds the statutory obligations to comply with legislation.

Our new sustainability strategy identifies five critical imperatives aimed at:

- Our people
- Our community
- Our environment
- Our business operations
- Our research ethics

Our sustainability commitments will enable responsible decision-making processes and give us confidence that we are putting social responsibility into practice and integrating it throughout the organisation. A key aspect of this is understanding and recognising the importance of stakeholder relationships, and being aware of the social responsibility across our entire sphere of influence.

Our People

Focusing on our employee relationship as well as their health and wellbeing

Our People & Culture Strategy 2020-25 commits us to high standards of employee engagement, making employee wellbeing a priority and ensuring the that our people work in an environment that respects and appropriately rewards them.

Outputs

During 2019-20 we have:

- Supported our staff through the creation of a new wellbeing strategy and provided online wellbeing resources, webinars and toolkits to support staff during the COVID-19 crisis. Developed a management and developing leadership programme that will be rolled out across the NOC during 2020-21.
3. **Trustees’ Report - incorporating the Strategic Report (continued)**

3.7. **Key Achievement and Performance (continued)**

**Our Community**  
**Developing excellent relationships with our stakeholders, partners and community**

We commit to high standards of social responsibility through relationships with our external and internal partners and stakeholders. Our communication strategy will act as an anchor to ensure we play an active part in our community.

**Outputs**  
During 2019-20 we have:

- Reviewed and updated our stakeholder engagement committee to ensure they have the correct avenues to input to our organisation.
- Hosted 16 community events hoping to inspire and educate future scientists, engineers and mariners.

**Our Business Operations**  
**Being a well governed organisation with effective business operations**

We commit to having fair operating practices that are well governed and encourage, where possible, social responsibility throughout all our value chains.

**Outputs**  
During 2019-20 we have:

- Developed and implemented a new governance framework that has included redrafting new NOC Policies, a new delegation framework and new committee structure, enabling improved internal controls, effective decision making and good practice for operations with clear roles and responsibilities.
- Introduction of a new ethical decision-making framework that will provide transparency and consistency across our business.

**Our research Ethics**  
**Building trust and confidence in our academic integrity**

As an organisation we are committed to ensuring our stakeholders will have trust and confidence in all our results, the methods used and the processes by which these results were obtained. We will commit to ensuring that there is trust and confidence in the academic integrity of those who undertake our research.
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.7. Key Achievement and Performance (continued)

Outputs
During 2019-20 we have:

- Developed new research integrity and safeguarding policies for the NOC to promote and support scientific quality and assurance

Our Environment
Excellent environmental awareness and best practice throughout all our activities

We are committed to the prevention of pollution and the protection of the environment. We will demonstrate continuous improvement of our environmental management and performance through regular setting and reviewing of objectives and targets.

Outputs
During 2019-20 we have:

- Successfully retained our ISO 14001 accreditation for Environmental Management.
- Committed to operating our vessels to a Ship Energy Efficiency Management Plan, in line with IMO guidelines.
- Reduced resource use - Greenhouse Gas emissions, waste production and transport (mileage) were all reduced during Quarter 3 and Quarter 4. Read more about these figures in Section 3.9 (SECR).
- Provided Institute of Environmental Management & Assessment (IEMA) Environmental training twice a year for all staff to ensure they are aware of and competent to control the environmental impact of their activities.
- Implemented a travel plan that informs and encourages staff, students and visitors to consider their travel options for both commuting and business travel.
- Promoted the benefits of wildlife conservation and enhancement of biodiversity onsite through the creation of a wildlife meadow, and in partnership with The Woodland Trust provided staff with tree saplings during National Tree Week.
- Installed water fountains on RRS Discovery and RRS James Cook which will replace over 16,000 1.5ltr plastic bottles in their first 14 months of operation.
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.8. Section 172 Statement

NOC Board of Trustees have acted in the way they consider to be in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to the matters set out in s172(1)(a-f) of the Act, in the decisions taken during the year.

The Board of Trustees are briefed on their legal duties as part of their induction and are able to seek further advice from the Company Secretary, Head of Legal or access external independent advice if required.

STRATEGY AND CONSIDERATION OF THE CONSEQUENCE OF LONG-TERM DECISIONS

Our main mission as the NOC is to make sense of changing seas, on which future human prosperity and wellbeing depend. Throughout the year, decisions and considerations at board meetings have been linked to how NOC meet their strategic objectives and how NOC can build and develop further to the environment around and in turn, contribute further to achieving public benefit. NOC launched our five-year strategy ‘Defining our Future’ which aims to preserve the very best of what we do and grow our work. Decisions are underpinned via a Business plan to ensure consideration is given to future strategic direction, and a full budget signed off by the board to ensure budgetary controls and funding targets. Budgets are built from funded projects and forecasts across the 5 years are formulated based on historic information on success rates at winning research funding, as well as being informed by the pipeline, alongside market research on future areas of growth. A focus of this year’s board has been developing forward planning, mapping of strategic partnerships and consideration of impact on NOC’s beneficiaries, as well as development of performance indicators to further understand if the decisions and activity undertaken are achieving NOC’s intended purpose, and the long term intentions to promote the success of NOC and benefit the community, environment and people.

HIGH STANDARDS AND BUSINESS CONDUCT

NOC’s intention is to promote our reputation, through the delivery of our strategy, that reflects responsible behaviour and maintains high standards of business conduct. NOC has Ethics and Research Integrity policies which are annually reviewed by the Board and NOC’s Audit and Risk Committee regularly consider Whistleblowing, Fraud and Bribery policies and issues. Through wide discussion across all levels of the NOC, we have reached consensus on our own shared NOC values which all members of the organisation are asked to uphold. These are guiding not just what we do, but how we do it and how we make decisions and recognise the need to act fairly between all members of the organisation. NOC are also committed to following the Seven Principles of Public Life.

GOVERNANCE AND RISK MANAGEMENT

Due to the size of the organisation, the Trustees fulfil their duties partly through a full governance and delegation framework that delegates day to day decision making to the Executive team at NOC. This year, the Board have developed and endorsed a new governance, delegation and risk management framework for NOC.
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.8. Section 172 Statement (continued)

OUR PEOPLE

As a Values-driven charity the directors give great care and regard to developing and maintaining good employee engagement and recognise our people are fundamental to the delivery of the NOC Strategy. There are many procedures and practices which actively seek to involve staff in decision making and empower them to own delivery of our strategic goals wherever they may work across the organisation. This ‘one NOC’ approach supports all staff to freely partake in ‘townhall’ meetings, focus groups, committees, working groups and union representation. Through consideration of internal stakeholders in these forums, the directors have overseen an Equality, Diversity and Inclusion statement and contributed to a successful Investors in People mid term review. The Trustees also held a Question and Answer session for employees and have promoted and received feedback from employee engagement surveys.

RELATIONSHIPS WITH STAKEHOLDERS AND BENEFICIARIES

We actively engage with the academic, industry and government sectors, fostering old and new relationships so we can bring our work to wider audiences and succeed in our objectives. We are the hub of many marine networks. This provides us a position of authority and influence which the directors and NOC representatives navigate using our Values, Strategy and social investment policies. We are reciprocally informed, shaped and powered by collaborating through these stakeholder engagement opportunities when it brings benefits to the public and increases ocean literacy. The NOC Association of Marine National Capability Beneficiaries (NOCA) is a body established and constituted by NOC and is the primary vehicle for NOC’s engagement with the beneficiaries of NOC-led marine science National Capability (NC) and is a means for obtaining assurance regarding the performance of NC delivery and effectiveness of engagement with beneficiaries. NOC also have other user engagement mechanisms, such as the Marine Facilities Advisory Board (MFAB) and the Cruise Programme Review Group (CPRG), and it is through these mechanisms NOC are able to obtain formal feedback from beneficiaries around some of the major areas of work we undertake. NOC also has two observers from these organisations that attend their Board meetings and sees the value of having observers to promote a two-way flow of information between the observer’s organisation and the NOC and to represent the views of the scientific community and funders to be considered within decision making. This year the Board of Trustees have considered how to promote and develop relationships with strategic partners and been involved with development of an Engagement Strategy for NOC.

COMMUNITY AND THE ENVIRONMENT

NOC culture is built upon its values and protecting the environment and having positive community impact. This year the Trustees have endorsed a Sustainability and Social Responsibility approach and strategy. Sustainability & Social Responsibility 2020-2025 will enable responsible decision-making processes and give us confidence that we are putting social responsibility into practice and integrating it throughout the organisation. The strategy demonstrates our commitment to continuous improvement of our environmental management and performance through regular setting and reviewing of objectives and targets to meet the Environment ISO standard and encourages openness and transparency of any imprint on the environment that we may leave. By making a strategic commitment to SSR, we will ensure that we are working to the highest standards that not only benefit our community but our organisation. Our communication strategy will act as anchor to ensure we hear the voice of our community.
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.9. Streamlined Energy and Carbon Reporting (SECR)

Environmental Responsibility is one of the NOC’s six core Values, and ‘Excellent environmental awareness and best practice’ is built into our Sustainability and Social Responsibility strategy. To ensure our energy and carbon impact aligned with our beliefs and ambition we undertook the following initiatives to bring down our Greenhouse Gas emissions, waste production and transport (mileage) throughout 2019-20: The total CO2e, based on figures in Table 2, was 4,888.56 tonnes, at an intensity ratio of 0.09 (tCO2e/m2) and 90.47 (kgCO2e/m2).

NOC’s annual quantity of emissions in tonnes of carbon dioxide equivalent from activities for which the company is responsible involving the combustion of gas was 1,030 tonnes CO2e and for the consumption of fuel for transport was 2,332.57 tonnes CO2e. In addition, the annual quantity of emissions in tCO2e from the purchase of electricity by the company for its own use was 1,1477 tonnes CO2e.

Annual quantity of emissions in tCO2e from the purchase of electricity by the company for its own use was 1,1477 tonnes CO2e.

The annual quantity of energy consumed from activities for which the company is responsible, for the combustion of gas was 5,603,000 kWh and for the consumption of fuel for the purposes of transport in vehicle fuel was 108,290.6 kWh and ship fuel was 8,244,911kWh.

The annual quantity of energy consumed resulting from the purchase of electricity by the company for its own use, including for the purposes of transport in kwh was 5,328,000 kWh.

The following methodologies were used to calculate the information disclosed for both emissions and energy data;

Energy data has been collected through our metering system (Stark), and converted into CO2e using UK Government GHG Conversion Factors for company reporting. Ship fuel data is reported by ship Captains and converted to CO2e using Carbon conversion factors for Marine Gas Oil. Transport data was compiled by collecting mileage data from or car hire provider and our staff claims for fuel expenses. This was converted to CO2e using the assumptions of: medium sized car, unknown fuel type, Fuel cost 117p/l, 5.25 l/100km, and the UK Government GHG Conversion Factors for company reporting.

Greenhouse Gas Emissions
We improved our solar array in Southampton by servicing 544 existing panels and adding 244 new panels. This means self-generated solar energy is expected to provide around 3.9% of our total annual energy consumption (previously 2.5% in 2019) from September 2020.

A full replacement of the solar thermal installation in Southampton, which supplies the hot water to the workshop shower facilities, was also undertaken, as it had come to the end of its economic life.

We are on a 100% green tariff, reducing the Carbon impact of our purchased electricity.

Energy use was slightly decreased during Quarter 3 and Quarter 4 due to partial shutdown of the Southampton site, and closure of the Liverpool building.
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.9. Streamlined Energy and Carbon Reporting (SECR) (continued)

Waste
Waste production was slightly decreased during Quarter 3 and Quarter 4 due to partial shutdown of the Southampton site, and closure of the Liverpool building.

Transport
The use of hire cars and our owned fleet reduced during Quarter 3 and Quarter 4 owing to restrictions on travel, halting travel between the two sites, as well as to conferences and meetings. Mileage data is unavailable for this report. As such, reasonable assumptions have been made on the mileage data based on information from the BEIS fuel cost data.

*Our new 5-year energy and waste reduction targets will come in to place from 2021 and in light of COVID-19, the baseline will be 2019, not 2020.
### 3.9. Streamlined Energy and Carbon Reporting (SECR) (continued)

#### Table 1: Scope/ emission/ energy use

<table>
<thead>
<tr>
<th>Description</th>
<th>Southampton</th>
<th>Liverpool</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Consumption used to calculate emissions: /mWh</td>
<td>4,953.00</td>
<td>375.00</td>
<td>5,328.00</td>
</tr>
<tr>
<td>Emissions from purchased electricity (Scope 2, location-based) tCO2e</td>
<td>1,373.00</td>
<td>104.00</td>
<td>1,477.00</td>
</tr>
<tr>
<td>Gas Consumption used to calculate emissions: /mWh</td>
<td>5,603.00</td>
<td>-</td>
<td>5,603.00</td>
</tr>
<tr>
<td>Emissions from combustion of gas tCO2e (scope 1)</td>
<td>1,030.00</td>
<td>-</td>
<td>1,030.00</td>
</tr>
<tr>
<td>Heat purchased for own use (CHP/District heating) mWh</td>
<td>-</td>
<td>119.50</td>
<td>119.50</td>
</tr>
<tr>
<td>Emissions from heat, steam and cooling purchased for own use (Scope 2)</td>
<td>-</td>
<td>22.60</td>
<td>22.60</td>
</tr>
<tr>
<td>CHP/District heating tCO2e</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel used for transport purposes (L) Ships</td>
<td>-</td>
<td>-</td>
<td>816,500.00</td>
</tr>
<tr>
<td>Emissions from Combustion of fuel for transport purposes (scope 1) Ships tCO2e</td>
<td>-</td>
<td>-</td>
<td>2,266.11</td>
</tr>
<tr>
<td>Fuel used for transport purposes (L), Fleet vehicles</td>
<td>-</td>
<td>-</td>
<td>14,500.00</td>
</tr>
<tr>
<td>Gas used for transport purposes (tonnes), fleet vehicles</td>
<td>-</td>
<td>-</td>
<td>0.90</td>
</tr>
<tr>
<td>Emissions from Combustion of fuel for transport purposes (scope 1) Fleet Vehicles, tCO2e</td>
<td>-</td>
<td>-</td>
<td>39.56</td>
</tr>
<tr>
<td>Fuel used for business transport (L) Rental Cars</td>
<td>-</td>
<td>-</td>
<td>7,880.51</td>
</tr>
<tr>
<td>Emissions from business travel in rental cars (Scope 3) tCO2e</td>
<td>-</td>
<td>-</td>
<td>26.37</td>
</tr>
<tr>
<td>Fuel used for business transport (L) Employee owned vehicles</td>
<td>-</td>
<td>-</td>
<td>159.41</td>
</tr>
<tr>
<td>Emissions from employee-owned vehicles (Scope 3) tCO2e</td>
<td>-</td>
<td>-</td>
<td>0.53</td>
</tr>
<tr>
<td>Floor space (m2)</td>
<td>51,234.80</td>
<td>2,800.00</td>
<td>54,034.80</td>
</tr>
<tr>
<td>Intensity ratio (tCO2e/m2)</td>
<td>-</td>
<td>-</td>
<td>0.09</td>
</tr>
<tr>
<td>Intensity ration (kgCO2e/m2)</td>
<td>-</td>
<td>-</td>
<td>90.47</td>
</tr>
</tbody>
</table>
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.9. Streamlined Energy and Carbon Reporting (SECR) (continued)

Table 2: Additional Reporting

<table>
<thead>
<tr>
<th></th>
<th>Southampton</th>
<th>Liverpool</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incinerated waste (tonnes)</td>
<td>26.98</td>
<td>-</td>
<td>26.90</td>
</tr>
<tr>
<td>Incinerated emissions (tCO2e)</td>
<td>0.58</td>
<td>-</td>
<td>0.58</td>
</tr>
<tr>
<td>Landfill (tonnes)</td>
<td>7.08</td>
<td>0.42</td>
<td>7.50</td>
</tr>
<tr>
<td>Landfill emissions (tCO2e)</td>
<td>3.24</td>
<td>0.19</td>
<td>3.43</td>
</tr>
<tr>
<td>Food Waste (tonnes)</td>
<td>2.37</td>
<td>-</td>
<td>2.37</td>
</tr>
<tr>
<td>Anaerobic digestion emissions (tCO2e)</td>
<td>0.02</td>
<td>-</td>
<td>0.02</td>
</tr>
<tr>
<td>Recycled (tonnes)</td>
<td>42.30</td>
<td>1.21</td>
<td>43.51</td>
</tr>
<tr>
<td>Recycled emissions (tCO2e)</td>
<td>0.90</td>
<td>0.03</td>
<td>0.93</td>
</tr>
</tbody>
</table>

Emissions from disposal of waste generated in operations for which the company does not own or control (Scope 3) / tCO2e

4.74 0.22 4.96
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.10. Financial Review

Results for the year

NOC was incorporated on 2 July 2018. There was no activity in the first year of account to 30 September 2019 and dormant company accounts were prepared. On 1 November 2019 NOC commenced its activities with a one-off capital grant of £23,646k which was received to fund the transfer of moveable assets from UKRI-NERC to NOC.

The results for the year ended 30 September 2020 are contained in this report. The net income for the year to 30 September 2020 amounted to £23,353k (2019: £nil), of which £17,541k relates to the residual depreciated capital grant for the initial transfer of assets. This income has been moved to a restricted reserve from which future year’s depreciation of these assets will be met.

Principal Funding Sources

Income was derived principally from UKRI-NERC funding for research, the operation of research infrastructure, data management and services and facilities of £43.3m, UKRI funding to enable the transition of assets of £24.6m, £4.9m EU research funding, £2.4m Industrial Strategy Challenge funding and £2m donation to working capital.

Reserves policy

As part of UKRI, the NOC had not previously been able to build and hold a reserve. It has relied upon direct funding to enable change and application for extra funding for investment in new capability and when unexpected events occur, as well as prudent in year budgeting. However, now the NOC is an independent charity we have developed a NOC Reserves Policy.

The NOC will use the TRAC (Transparent Approach to Costing) FEC (Full Economic Cost) as the framework for pricing all contracts and projects and so ensuring it monitors its sustainability. Under TRAC there is the Margin for Sustainability and Investment (MSI) that is built into the FEC recovery that will contribute to reserves and the overall investment pot. It is in the interests of the charity and the beneficiaries of the NOC to continue to invest in new capability and further the aims of the charity in terms of its advance of science. However, it is also necessary to hold an appropriate amount in the reserve against operational risk likely to materialise over any 12-month year.

It is intended that a £2,000k unrestricted sustainability reserve is held for working capital and this is grown to £6m over the next 5 years to cover the operational risk.
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.10. Financial Review

Risk management

Assessing and managing risk is a fundamental part of our day-to-day activities which can be inherently risky by their nature. The Executive play a critical role in identifying and managing risk throughout the organisation, acting as the escalation route for programme, project and operational risks, monitoring these risks via a risk register. The NOC has developed a new Risk Management Framework during 2019-20 that will become a critical tool to manage threats and opportunities to our strategic objectives. We are currently rolling out the introduction of this new Enterprise Risk Management approach that strives to ensure that risk is considered at all levels and in all areas. In addition, we are currently focusing our resources to ensure that we consider risk in all aspects of our decision making. We aim to improve our state of preparedness and reactivity; increase resilience to change and facilitate a reduction in business threats and uncertainty, while maximising opportunities and facilitating informed decision making in new areas.

The Board of Trustees and Audit and Risk Committee set the risk appetite of the organisation and provide essential and valued external challenge and advice, through robust assessment of the company’s emerging and principal risks at each Board meeting. Notably, the Board of Trustees have provided considerable feedback to support the establishment of new risk and governance frameworks.

The principal risks and uncertainties faced by the NOC have related mainly to the COVID-19 pandemic. Our business continuity response and recovery has worked effectively to address and manage this challenging environment and to keep our people safe and continue our vital work. Like many organisations, the NOC has experience increased cyber security threats, with regular phishing attacks through the year. We have focused resources in reviewing our approaches, considering scenarios and engaging with staff to help mitigate the risks where we can. There has been a risk around uncertainty over the funding landscape and potential reduction or loss of funding, with mitigations being put in place to prepare for if this were to occur.

The impact of Brexit has been a principal risk considered within NOC’s risk register throughout the year, largely due to the potential impact on being able to source goods to complete projects in required timelines. Various mitigations have been put in place to manage this risk and this fast-changing and evolving area.

In our first year of operating, we also recognise that we faced risks that related to transformation activity consequent upon our establishment as a charitable organisation independent of UKRI. NOC developed a number of financial management policies and established appropriate financial controls to mitigate these risks.

Investment Policy

The investment policy ensures that unrestricted reserves earmarked for investment opportunities are agreed, prioritised and approved in line with the NOC strategy and business plan. As well as ensuring the delivery of the associated benefits and enhanced capability, whether this is financial or qualitative or both.
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.10. Financial Review (continued)

Investment Policy (Continued)

The finance system and reporting must be robust enough to ensure funds are appropriately recognised as revenue as project expenditure is incurred, and are fully identifiable within the NOC unrestricted reserve, as it is built up over time. TRAC requires that NOC does not hold too much in the sustainability reserve and encourages continual investment using the amount over the sustainability margin. It is in the interests of the charity and the beneficiaries of NOC to continue to invest in new capability and further the aims of the charity in terms of its advance of science object.

A business case will be put in place for each investment so that the Board can give consideration to investment for the purposes of making a return as well as investing in the strategic aims of NOC. Investments will be kept under regular review.

The Board decided that the first investments as per the above policy would not be made until after the first year of trading.

Trading Subsidiary

The NOC has a trading subsidiary, National Oceanography Centre Innovations Ltd (NOCI), which is a private company limited by shares. NOCI was incorporated on 9 October 2019 and is a wholly-owned subsidiary of the NOC. In the year to 30 September 2020 the subsidiary reported a loss for the financial year of £28.7k.

There is an Operating Agreement in place between the charity and the trading subsidiary to ensure there is a structured and governed relationship. This includes detailed clauses which ensure the protection of licensed IP for the charity.

The trading subsidiary undertakes four significant areas of activity; product sales (marine data products), Events (Commercial activity only), Intellectual Property licensing (agreements) and Marine Robotic Innovation Centre – membership and renewal.

The Chair of NOC Innovations Ltd reports to the NOC Board of Trustees. The Board of Trustees review the progress of the subsidiary, ensuring that the strategic objectives of the subsidiary are not in conflict with its own and that the financial return is satisfactory. Two members of the NOC Board of Trustees are members of the trading subsidiary board.

Fundraising Policy

During the year the NOC has not undertaken any active fundraising. The fundraising policy is being developed with a plan to being fundraising during FY21.

Plans for future periods

Our Five-Year Strategy, and its seven interdisciplinary strategic goals, will enable us to maintain commitment and delivery of our Charitable Objectives. Detailed in the Trustee’s Report (incorporating the Strategic Report) are the activities we’ll be focusing on between 2020-25, as part of our Five-Year Strategy, and our funding framework will diversity to support this.
3. Trustees’ Report - incorporating the Strategic Report (continued)

3.10. Financial Review (continued)

Going Concern and the impact of Covid-19

The key assumption in assessing going concern is that NOC’s key funders (UKRI and EU) will continue to pay as per their schedules, particularly in light of the COVID-19 pandemic. UKRI have continued to fund NOC and reduced their delivery expectations during the COVID-19 pandemic enabling full capability to be maintained throughout. Some COVID funding has been received to enable NOC to continue to deliver where delivery activity was impacted.

NOC has put together a 5-year business plan which brings together the National Capability funding from NERC-UKRI with signed research projects and those in the pipeline. For the year 21/22 the full current cost base of NOC has been trimmed back to achieve some savings and so is covered by funded projects with some resource available to deliver new projects that are in the pipeline or in early stages of bid development at present; some recruitment is likely to be needed in the coming year when current fixed term appointments end. NOC is deploying detailed resource planning to inform recruitment. As the forecast goes out to 22/23 and beyond there is more capacity to take on new funded projects, at this time the plan starts to forecast increased income from fundraising and NOC Innovations activity. Once this takes more shape the recruitment will be planned around the skills needed to deliver new areas of activity. Taking into consideration, signed Awards for National Capability infrastructure and science facilities and services spanning the next 3-5 years, current indications of recommissioning for National Capability Science, previous success rates in research grant rounds with sustained bid submission and forecast of future income based on marketing analysis the indications are that NOC can continue to cover its cost base over the coming 5-year period.

In conclusion there are no material uncertainties to cast doubt on the NOC’s ability to continue as a going concern.

Auditor

The auditor, BDO LLP, has indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

John Hirst CBE
Chairman and Trustee

25 March 2021
4. **Statement of Trustees’ Responsibility**

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees’ Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of the incoming resources and application of resources, including the income and expenditure of the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity’s transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the Charity’s website in accordance with legislation in the United Kingdom governing preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity’s website is the responsibility of the trustees. The trustees’ responsibility also extends to the ongoing integrity of the financial statements contained therein.
5. Independent Auditor's Report to the Members and Trustees of National Oceanography Centre

Opinion

We have audited the financial statements of National Oceanography Centre ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 30 September 2020 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group’s and of the Parent Charitable Company’s affairs as at 30 September 2020 and of the Group’s incoming resources and application of resources for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.
5. Independent Auditor's Report to the Members and Trustees of National Oceanography Centre (continued)

Other matter
The corresponding figures are unaudited.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor’s report thereon. The other information comprises: the reference and administrative details, the foreword by the chair of trustees and report of the chief executive, the trustee’s report and the statement of trustee’s responsibilities. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees’ Report, which includes the Directors’ Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and the Directors’ Report, which are included in the Trustees’ Report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee’s report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
5. **Independent Auditor’s Report to the Members and Trustees of National Oceanography Centre (continued)**

- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Trustees**

As explained more fully in the statement of trustee’s responsibilities, the Trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group’s and the Parent Charitable Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

**Auditor’s responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council’s (“FRC’s”) website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.
5. **Independent Auditor's Report to the Members and Trustees of National Oceanography Centre (continued)**

**Use of our report**

This report is made solely to the Charitable Company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company’s trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company’s members and trustees those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company’s members as a body and the Charitable Company’s trustees as a body, for our audit work, for this report, or for the opinions we have formed.

David I’Anson (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
Southampton  
9 April 2021  

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).
## Consolidated Statement of Financial Activities for the year ended 30 September 2020

*incorporating an income & expenditure account*

<table>
<thead>
<tr>
<th>Note</th>
<th>Fund Type</th>
<th>Unrestricted funds £’000</th>
<th>Restricted funds £’000</th>
<th>Restricted fixed asset funds £’000</th>
<th>Total £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income from:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations, grants and legacies</td>
<td>4</td>
<td>33,701</td>
<td>19,220</td>
<td>-</td>
<td>52,921</td>
</tr>
<tr>
<td>Grant of assets from UKRI</td>
<td>4</td>
<td>21</td>
<td>-</td>
<td>24,646</td>
<td>24,667</td>
</tr>
<tr>
<td>Income from trading subsidiary</td>
<td>13</td>
<td>365</td>
<td>-</td>
<td>-</td>
<td>365</td>
</tr>
<tr>
<td>Other trading activities</td>
<td>5</td>
<td>2,913</td>
<td>46</td>
<td>-</td>
<td>2,959</td>
</tr>
<tr>
<td>Investments</td>
<td>6</td>
<td>19</td>
<td>-</td>
<td>-</td>
<td>19</td>
</tr>
<tr>
<td>Other income</td>
<td>4</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total incoming resources</strong></td>
<td></td>
<td>37,023</td>
<td>19,269</td>
<td>24,646</td>
<td>80,938</td>
</tr>
</tbody>
</table>

| **Expenditure on:** |            |                          |                        |                                   |             |
| Raising funds: |            |                          |                        |                                   |             |
| Expenditure from trading subsidiary | 13 | 394 | - | - | 394 |
| Charitable activities | 7 | 31,242 | 18,844 | 7,105 | 57,191 |
| **Total expenditure** |            | 31,636 | 18,844 | 7,105 | 57,585 |

Net income | 5,387 | 425 | 17,541 | 23,353 |

Net movement in funds | 18 | 5,387 | 425 | 17,541 | 23,353 |

Reconciliation of funds: |            |                          |                        |                                   |             |
| Fund balances at beginning of year | 18 | - | - | - | - |
| **Total fund balances at 30 September 2020** | 18 | 5,387 | 425 | 17,541 | 23,353 |

All amounts are derived from continuing activities.
The consolidated statement of financial activities includes all gains and losses recognised in the year.

The Group was not active in the previous accounting period, there was no income and no expenditure so no comparative Statement has been presented.

The notes on pages 63-72 form part of these financial activities.
Consolidated Balance Sheet  
*at 30 September 2020*

<table>
<thead>
<tr>
<th>Company number: 11444362</th>
<th>Note</th>
<th>2020 £’000</th>
<th>2020 £’000</th>
<th>2019 £’000</th>
<th>2019 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>11</td>
<td>1,114</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>12</td>
<td>16,448</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>14</td>
<td>38</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>15</td>
<td>4,407</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>20</td>
<td>26,651</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due within one year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>(25,305)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td></td>
<td>5,791</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>19</td>
<td>23,353</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>18</td>
<td>5,387</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>18</td>
<td>425</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted fixed asset</td>
<td>18</td>
<td>17,541</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td>18</td>
<td>23,353</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf by:

John Hirst CBE  
Chairman  
25 March 2021  
The notes on pages 63-72 form part of these financial statements.
## Charity Balance Sheet

**at 30 September 2020**

<table>
<thead>
<tr>
<th>Company number: 11444362</th>
<th>Note</th>
<th>2020 £’000</th>
<th>2019 £’000</th>
<th>2019 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>11</td>
<td>1,114</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>12</td>
<td>16,448</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>13</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td></td>
<td>17,562</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>14</td>
<td>38</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debtors</td>
<td>15</td>
<td>4,539</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash at bank and hand</td>
<td>20</td>
<td>26,467</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>31,044</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due within one year</strong></td>
<td>16</td>
<td>(25,225)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td>5,819</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>19</td>
<td>23,381</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>18</td>
<td>5,415</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>18</td>
<td>425</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Restricted fixed asset</td>
<td>18</td>
<td>17,541</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td>18</td>
<td>23,381</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

As permitted by S408 of the Companies Act 2009, the Charity has not presented its own income and expenditure account and related notes. The Company’s surplus for the year was £23,381k (2019 - £Nil).

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf by:

John Hirst CBE
Chairman

25 March 2021

The notes on pages 63 to 72 form part of these financial statements.
Consolidated Statement of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>Note</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td><strong>Cashflows from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus for the year:</td>
<td>12</td>
<td>23,353</td>
<td>-</td>
</tr>
<tr>
<td>Grant of fixed assets from UKRI</td>
<td></td>
<td>(24,667)</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>11</td>
<td>6,610</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation</td>
<td>6</td>
<td>495</td>
<td>-</td>
</tr>
<tr>
<td>Investment income</td>
<td>14</td>
<td>(19)</td>
<td>-</td>
</tr>
<tr>
<td>Increase in stocks</td>
<td>15</td>
<td>(4,407)</td>
<td>-</td>
</tr>
<tr>
<td>Increase in debtors</td>
<td>16</td>
<td>25,305</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td></td>
<td>26,632</td>
<td>-</td>
</tr>
<tr>
<td><strong>Cashflows from investing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>6</td>
<td>19</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td></td>
<td>19</td>
<td>-</td>
</tr>
<tr>
<td><strong>Increase in cash and cash equivalents in the year</strong></td>
<td></td>
<td>26,651</td>
<td>-</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the year</strong></td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td></td>
<td>26,651</td>
<td>-</td>
</tr>
</tbody>
</table>

The notes on pages 63-72 form part of these financial statements
1. **General information**

The National Oceanography Centre is a private limited company by guarantee without share capital (Company No. 11444362). The Company was incorporated in England and Wales under the Companies Act 2006 on the 2nd July 2018 but did not begin its operations until November 2019. This is therefore the first period of account where the Company has been active. The Company’s principal activity is included in the trustees’ report and the address of the registered office is included on page 1. The Company is registered as a charity in England and Wales (1185265) and Scotland (SC049896).

The Company has 5 members, who are also directors. The liability of each member on the event of the Company winding up is limited to a maximum of £1.

2. **Accounting policies**

**Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements have been prepared in accordance with the Charities SORP, 2nd Edition (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

National Oceanography Centre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied consistently:
2. **Accounting policies (continued)**

**Basis of consolidation**

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Parent Charitable Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

**Exemptions for qualifying entities under FRS 102**

The Parent Charitable Company has taken advantage of the following disclosure exemptions available in FRS 102:

- from preparing a statement of cash flows;
- from financial instruments disclosures; and
- from the aggregate remuneration of the key management personnel as their remuneration is included in the totals for the group as a whole.

**Going concern**

The Trustees have reviewed whether it is appropriate for the financial statements to be prepared on a going concern basis.

The key assumption in assessing going concern is that NOC’s key funders (UKRI and EU) will continue to pay as per their schedules, particularly in light of the COVID-19 pandemic. UKRI have continued to fund NOC and reduced their delivery expectations during the COVID-19 pandemic enabling full capability to be maintained throughout. Some COVID funding has been received to enable NOC to continue to deliver where delivery activity was impacted.

NOC has put together a 5-year business plan which brings together the National Capability funding from NERC-UKRI with signed research projects and those in the pipeline. For the year 21/22 the full current cost base of NOC has been trimmed back to achieve some savings and so is covered by funded projects with some resource available to deliver new projects that are in the pipeline or in early stages of bid development at present; some recruitment is likely to be needed in the coming year when current fixed term appointments end. NOC is deploying detailed resource planning to inform recruitment. As the forecast goes out to 22/23 and beyond there is more capacity to take on new funded projects, at this time the plan starts to forecast increased income from fundraising and NOC Innovations activity. Once this takes more shape the recruitment will be planned around the skills needed to deliver new areas of activity. Taking into consideration, signed Awards for National Capability infrastructure and science facilities and services spanning the next 3-5 years, current indications of recommissioning for National Capability Science, previous success rates in research grant rounds with sustained bid submission and forecast of future income based on marketing analysis the indications are that NOC can continue to cover its cost base over the coming 5-year period.
2. Accounting policies (continued)

Income

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. Donations and grants for particular purposes are included in income as restricted funds.

Where grants relate to donated fixed assets, they are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life, in accordance with the Group's accounting policies.

Investment income relates to interest on funds held on deposit and is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Incoming resources from charitable trading activity are accounted for when earned.

All other income is recognised on an accruals basis once the Group is legally entitled to receipt.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
2. **Accounting policies (continued)**

**Expenditure (continued)**

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group’s objectives, as well as any associated support costs.

Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

**Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Consolidated Statement of Financial Activities.

**Intangible assets and amortisation**

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

- **Computer software** - 5 years straight line
2. Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Assets in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged on a straight-line basis over their estimated useful lives.

Depreciation is provided on the following bases:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scientific equipment</td>
<td>5 years</td>
</tr>
<tr>
<td>Marine pool</td>
<td>5 years</td>
</tr>
<tr>
<td>Fixtures and fittings</td>
<td>5 years</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>5 years</td>
</tr>
<tr>
<td>Plant and machinery</td>
<td>5 years</td>
</tr>
</tbody>
</table>

The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.
2. Accounting policies (continued)

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The Group is also participating in a multi-employer plan with The National Environmental Research Council which is a defined benefit scheme funded from annual grant-in-aid on a pay as you go basis. It is not possible for the Group to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it therefore accounts for the plan as a defined contribution plan.
2. **Accounting policies (continued)**

**Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Restricted fixed asset funds represent the moveable assets of the National Oceanography Centre, being the plant, equipment (including IT equipment), libraries, stocks, inventory and consumables of the operation. Without them the National Oceanography Centre could not operate. They are shown separately to other unrestricted funds due to the size and importance of these assets to the National Oceanography Centre.

Investment income, gains and losses are allocated to the appropriate fund.

**Gift aid donations made to the charity**

Donations made by the subsidiary to the Parent Charity are recognised as income in the charity either when paid or at the date when the subsidiary has a legal liability to make the donation payment if earlier.

**Research vessels**

The NOC operates and manages two research vessels owned by UKRI under a bareboat charter at peppercorn rates. The terms of the bareboat charter do not meet the definition of a lease and, due to the unique nature of the vessels, it is not possible to reasonably quantify the value ascribed to the ownership and operation of them.
3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement

Depreciation is a key estimate in the accounts which requires management judgement over the useful life of the assets and the residual values. The policy has been set out in the notes above.
## Notes to the financial statements

### 4 Income from donations, grants and legacies

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Restricted funds</th>
<th>Restricted fixed asset funds</th>
<th>Total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020 <strong>£’000</strong></td>
<td>2020 <strong>£’000</strong></td>
<td>2020 <strong>£’000</strong></td>
<td>2020 <strong>£’000</strong></td>
</tr>
<tr>
<td><strong>Donations:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other donations</td>
<td>2,000</td>
<td>-</td>
<td>-</td>
<td>2,000</td>
</tr>
<tr>
<td>Grant of fixed assets from UKRI</td>
<td>21</td>
<td>-</td>
<td>24,646</td>
<td>24,667</td>
</tr>
<tr>
<td><strong>Income from grants:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UKRI NERC grant</td>
<td>30,636</td>
<td>14,289</td>
<td>-</td>
<td>44,925</td>
</tr>
<tr>
<td>UKRI other grants</td>
<td>1,036</td>
<td>4,931</td>
<td>-</td>
<td>5,967</td>
</tr>
<tr>
<td>Other grants</td>
<td>29</td>
<td>-</td>
<td>-</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>31,701</strong></td>
<td><strong>19,220</strong></td>
<td>-</td>
<td><strong>50,921</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>24,646</strong></td>
<td><strong>77,588</strong></td>
</tr>
</tbody>
</table>

Income from donations, grants and legacies was £Nil in the previous financial period.

### 5 Income from other trading activities

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Restricted funds</th>
<th>Restricted fixed asset funds</th>
<th>Total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020 <strong>£’000</strong></td>
<td>2020 <strong>£’000</strong></td>
<td>2020 <strong>£’000</strong></td>
<td>2020 <strong>£’000</strong></td>
</tr>
<tr>
<td><strong>Rental</strong></td>
<td>767</td>
<td>-</td>
<td>-</td>
<td>767</td>
</tr>
<tr>
<td><strong>Disbursements</strong></td>
<td>1,639</td>
<td>-</td>
<td>-</td>
<td>1,639</td>
</tr>
<tr>
<td><strong>Maintenance and repairs income</strong></td>
<td>478</td>
<td>1</td>
<td>-</td>
<td>479</td>
</tr>
<tr>
<td><strong>Bond sales</strong></td>
<td>-</td>
<td>40</td>
<td>-</td>
<td>40</td>
</tr>
<tr>
<td><strong>Ship charter income</strong></td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td><strong>Other trading income</strong></td>
<td>26</td>
<td>5</td>
<td>-</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td><strong>2,913</strong></td>
<td><strong>46</strong></td>
<td>-</td>
<td><strong>2,959</strong></td>
</tr>
</tbody>
</table>

Income from trading activities was £Nil in the previous financial period.
6 Investment income

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020 (£’000)</td>
<td>2020 (£’000)</td>
</tr>
<tr>
<td>Bank interest</td>
<td>19</td>
<td>19</td>
</tr>
</tbody>
</table>

Investment income was £Nil in the previous financial period.

7 Expenditure on charitable activities

<table>
<thead>
<tr>
<th>Activities undertaken directly</th>
<th>Staff costs (£’000)</th>
<th>Vessel costs (£’000)</th>
<th>Research costs (£’000)</th>
<th>Estate costs (£’000)</th>
<th>Depreciation (£’000)</th>
<th>Other costs (£’000)</th>
<th>Total (£’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scientific research</td>
<td>22,312</td>
<td>5,728</td>
<td>1,421</td>
<td>68</td>
<td>5,623</td>
<td>6,056</td>
<td>41,208</td>
</tr>
<tr>
<td>Support costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Operations and finance staff</td>
<td>8,099</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8,099</td>
</tr>
<tr>
<td>- Management, operations and facilities costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,176</td>
<td>-</td>
<td>2,971</td>
<td>6,147</td>
</tr>
<tr>
<td>- Depreciation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,482</td>
<td>-</td>
<td>1,482</td>
</tr>
<tr>
<td>- Governance costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>255</td>
<td>255</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>30,411</td>
<td>5,728</td>
<td>1,421</td>
<td>3,244</td>
<td>7,105</td>
<td>9,282</td>
<td>57,191</td>
</tr>
</tbody>
</table>

Total expenditure on charitable activities for the year was £57,191k. Of that expenditure £31,242k was unrestricted, £18,844k was restricted and £7,105k was restricted fixed asset funds. Expenditure was £Nil in the previous financial period.

Analysis of governance costs

Audit fees:
- Audit of financial statements 52
- Other fees paid to auditors 7
Trustee remuneration and expenses 2
Legal and professional fees 181
Finance costs 13

255

Total expenditure on charitable activities for the year was £57,191k. Of that expenditure £31,242k was unrestricted, £18,844k was restricted and £7,105k was restricted fixed asset funds. Expenditure was £Nil in the previous financial period.
Notes to the financial statements (continued)

8 Net income

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Net income is stated after charging:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation of tangible fixed assets</td>
<td>6,610</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation of intangible fixed assets</td>
<td>495</td>
<td>-</td>
</tr>
<tr>
<td>Auditors remuneration:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Audit fees</td>
<td>52</td>
<td>-</td>
</tr>
<tr>
<td>- Non-audit fees</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>Loss on foreign exchange</td>
<td>29</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>6,610</td>
<td>495</td>
</tr>
</tbody>
</table>

9 Staff costs

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Group and charity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>22,920</td>
<td>-</td>
</tr>
<tr>
<td>National insurance contributions</td>
<td>2,257</td>
<td>-</td>
</tr>
<tr>
<td>Pension costs</td>
<td>5,234</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>30,411</td>
<td>-</td>
</tr>
</tbody>
</table>

During the year there were redundancy costs of £134k (2019 - £Nil) which were paid to 11 members of staff. Of these 10 were statutory redundancy pay and 1 severance pay.

The number of employees for the year was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020 Number</th>
<th>2019 Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Science and research staff</td>
<td>253</td>
<td>-</td>
</tr>
<tr>
<td>Operations and finance staff</td>
<td>200</td>
<td>-</td>
</tr>
<tr>
<td>Engineers and technicians</td>
<td>110</td>
<td>-</td>
</tr>
<tr>
<td>Mariners</td>
<td>90</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>653</td>
<td>-</td>
</tr>
</tbody>
</table>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

<table>
<thead>
<tr>
<th></th>
<th>2020 Number</th>
<th>2019 Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>£60,001 - £70,000</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>£70,001 - £80,000</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>£90,001 - £100,000</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>£100,001 - £110,000</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>
Notes to the financial statements (continued)

9 Staff costs (continued)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key management personnel salaries (inc. pensions)</td>
<td>374</td>
<td>-</td>
</tr>
</tbody>
</table>

(Key management personnel are the Senior Management Team, as set out on page 1 of this report)

10 Trustees' remuneration and expenses

During the year, one Trustee (David John Gee) received £6.3k in relation to remuneration or other benefits. £Nil in the previous accounting period. The remuneration was agreed and provided under a provision in the governing document of the Charity. Remuneration was provided due to the Trustee’s role as the Chair of the Audit and Risk Committee, which requires a range of specialist knowledge and experience and has a wide remit in terms of the role that the Trustee is required to provide. No other benefits were provided.

During the year ended 30 September 2020, one Trustee was reimbursed for expenses of £0.5k (2019 - £Nil) in relation to travel and subsistence.

During the year indemnity insurance of £23k (2019 - £Nil) was purchased in respect of all the Trustees and Officers of the Charity.

11 Intangible assets

<table>
<thead>
<tr>
<th></th>
<th>Group and charity</th>
<th>Computer Software and Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>£’000</td>
</tr>
<tr>
<td>Additions</td>
<td></td>
<td>1,609</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 30 September 2020</td>
<td></td>
<td>1,609</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charge for the year</td>
<td></td>
<td>495</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 30 September 2020</td>
<td></td>
<td>495</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net book value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 30 September 2020</td>
<td></td>
<td>1,114</td>
</tr>
</tbody>
</table>
Notes to the financial statements (continued)

12 Tangible fixed assets

Group and charity

<table>
<thead>
<tr>
<th></th>
<th>Scientific equipment £’000</th>
<th>Marine pool £’000</th>
<th>Fixtures and fittings £’000</th>
<th>Computer equipment £’000</th>
<th>Plant and machinery £’000</th>
<th>Total £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost or valuation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>14,465</td>
<td>5,329</td>
<td>122</td>
<td>1,169</td>
<td>1,973</td>
<td>23,058</td>
</tr>
<tr>
<td>At 30 September 2020</td>
<td>14,465</td>
<td>5,329</td>
<td>122</td>
<td>1,169</td>
<td>1,973</td>
<td>23,058</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charge for the year</td>
<td>3,962</td>
<td>1,661</td>
<td>23</td>
<td>446</td>
<td>518</td>
<td>6,610</td>
</tr>
<tr>
<td>At 30 September 2020</td>
<td>3,962</td>
<td>1,661</td>
<td>23</td>
<td>446</td>
<td>518</td>
<td>6,610</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net book value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 30 September 2020</td>
<td>10,503</td>
<td>3,668</td>
<td>99</td>
<td>723</td>
<td>1,455</td>
<td>16,448</td>
</tr>
</tbody>
</table>

On 1 November 2019 and moveable assets - being the plant, equipment (including IT equipment), libraries, stocks, inventory and consumables of the operation, were transferred to the charity by way of a capital grant from UKRI totalling £24,646k.
13 Fixed asset investments

The addition in the year related to 100% of the share capital on incorporation of National Oceanography Centre Innovations Limited on the 9th October 2019 at the cost of £1.

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

<table>
<thead>
<tr>
<th>Name</th>
<th>Company number</th>
<th>Registered office or principal place of business</th>
<th>Principal activity</th>
<th>Class of shares</th>
<th>Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Oceanography Centre Innovations Limited</td>
<td>12250763</td>
<td>National Oceanography Centre European Way Southampton United Kingdom SO14 3ZH</td>
<td>Development of products and services based on the output of ocean science research and engineering</td>
<td>Ordinary</td>
<td>100%</td>
</tr>
</tbody>
</table>

As at 30 September 2020 trading subsidiary accounts were as follows:

<table>
<thead>
<tr>
<th></th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>365</td>
</tr>
<tr>
<td>Expenditure</td>
<td>(394)</td>
</tr>
<tr>
<td>Net liabilities</td>
<td>(29)</td>
</tr>
</tbody>
</table>

14 Stocks

Group and charity

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods for resale</td>
<td>38</td>
<td>-</td>
</tr>
</tbody>
</table>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

During the year there was no impairment to the value of stock (2019 - £Nil).
15 Debtors

<table>
<thead>
<tr>
<th></th>
<th>Group 2020</th>
<th>Group 2019</th>
<th>Charity 2020</th>
<th>Charity 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>3,513</td>
<td>-</td>
<td>3,438</td>
<td>-</td>
</tr>
<tr>
<td>Group debtors</td>
<td>-</td>
<td>-</td>
<td>207</td>
<td>-</td>
</tr>
<tr>
<td>Prepayments</td>
<td>855</td>
<td>-</td>
<td>855</td>
<td>-</td>
</tr>
<tr>
<td>Other debtors</td>
<td>39</td>
<td>-</td>
<td>39</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,407</strong></td>
<td><strong>-</strong></td>
<td><strong>4,539</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

During the year there was no impairment to the value of debtors in relation to bad debt provisions (2019 - £Nil).

16 Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>Group 2020</th>
<th>Group 2019</th>
<th>Charity 2020</th>
<th>Charity 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>1,741</td>
<td>-</td>
<td>1,741</td>
<td>-</td>
</tr>
<tr>
<td>Due to Marine and EU partners</td>
<td>4,801</td>
<td>-</td>
<td>4,801</td>
<td>-</td>
</tr>
<tr>
<td>Pension accrual</td>
<td>195</td>
<td>-</td>
<td>195</td>
<td>-</td>
</tr>
<tr>
<td>Social security and other taxes</td>
<td>15</td>
<td>-</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>Accruals</td>
<td>4,140</td>
<td>-</td>
<td>4,140</td>
<td>-</td>
</tr>
<tr>
<td>Deferred income (see note 17)</td>
<td>14,413</td>
<td>-</td>
<td>14,333</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25,305</strong></td>
<td><strong>-</strong></td>
<td><strong>25,225</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

17 Deferred income

<table>
<thead>
<tr>
<th></th>
<th>Group 2020</th>
<th>Group 2019</th>
<th>Charity 2020</th>
<th>Charity 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts deferred in year</td>
<td>14,413</td>
<td>-</td>
<td>14,333</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,413</strong></td>
<td><strong>-</strong></td>
<td><strong>14,333</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

Deferred income relates to grant income, including research grants, which are received in advance of specific conditions being met. The income is shown as deferred until those conditions are fully satisfied.
## Notes to the financial statements (continued)

### Funds

<table>
<thead>
<tr>
<th>Group</th>
<th>Income £'000</th>
<th>Expenditure £'000</th>
<th>Transfers £'000</th>
<th>Balance at 30 September £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Designated:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long Term Maintenance</td>
<td>1,334</td>
<td>(2,376)</td>
<td>-</td>
<td>(1,042)</td>
</tr>
<tr>
<td><strong>General unrestricted:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td>35,689</td>
<td>(29,260)</td>
<td>-</td>
<td>6,429</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total unrestricted funds</strong></td>
<td>37,023</td>
<td>(31,636)</td>
<td>-</td>
<td>5,387</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Restricted funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted funds</td>
<td>19,269</td>
<td>(18,844)</td>
<td>-</td>
<td>425</td>
</tr>
<tr>
<td>Restricted fixed asset funds</td>
<td>24,646</td>
<td>(7,105)</td>
<td>-</td>
<td>17,541</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total restricted funds</strong></td>
<td>43,915</td>
<td>(25,949)</td>
<td>-</td>
<td>17,966</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td>80,938</td>
<td>(57,585)</td>
<td>-</td>
<td>23,353</td>
</tr>
</tbody>
</table>

### Charity

<table>
<thead>
<tr>
<th>Income £'000</th>
<th>Expenditure £'000</th>
<th>Transfers £'000</th>
<th>Balance at 30 September £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted funds</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Designated:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long Term Maintenance</td>
<td>1,334</td>
<td>(2,367)</td>
<td>-</td>
</tr>
<tr>
<td><strong>General unrestricted:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td>35,324</td>
<td>(28,867)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total unrestricted funds</strong></td>
<td>36,658</td>
<td>(31,243)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Restricted funds</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted funds</td>
<td>19,269</td>
<td>(18,844)</td>
<td>-</td>
</tr>
<tr>
<td>Restricted fixed asset funds</td>
<td>24,646</td>
<td>(7,105)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total restricted funds</strong></td>
<td>43,915</td>
<td>(25,949)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td>80,573</td>
<td>(57,191)</td>
<td>-</td>
</tr>
</tbody>
</table>
18  Funds (continued)

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Restricted funds comprise of NMF ship operating income, charter income balance and NMEP capital replacement.

Restricted fixed asset funds are funds for the sole use of acquiring the moveable assets of NOC on the 1 November 2019 and the expenditure is the subsequent depreciation of these assets.

19  Net assets

<table>
<thead>
<tr>
<th>Group</th>
<th>Fixed assets</th>
<th>Current assets</th>
<th>Current Liabilities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>General unrestricted</td>
<td>21</td>
<td>29,337</td>
<td>(22,929)</td>
<td>6,429</td>
</tr>
<tr>
<td>Designated</td>
<td>-</td>
<td>1,334</td>
<td>(2,376)</td>
<td>(1,042)</td>
</tr>
<tr>
<td>Restricted</td>
<td>-</td>
<td>425</td>
<td>-</td>
<td>425</td>
</tr>
<tr>
<td>Restricted fixed asset</td>
<td>17,541</td>
<td>-</td>
<td>-</td>
<td>17,541</td>
</tr>
<tr>
<td></td>
<td>17,562</td>
<td>31,096</td>
<td>(25,305)</td>
<td>23,353</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Charity</th>
<th>Fixed assets</th>
<th>Current assets</th>
<th>Current Liabilities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>General unrestricted</td>
<td>21</td>
<td>29,285</td>
<td>(22,849)</td>
<td>6,457</td>
</tr>
<tr>
<td>Designated</td>
<td>-</td>
<td>1,334</td>
<td>(2,376)</td>
<td>(1,042)</td>
</tr>
<tr>
<td>Restricted</td>
<td>-</td>
<td>425</td>
<td>-</td>
<td>425</td>
</tr>
<tr>
<td>Restricted fixed asset</td>
<td>17,541</td>
<td>-</td>
<td>-</td>
<td>17,541</td>
</tr>
<tr>
<td></td>
<td>17,562</td>
<td>31,044</td>
<td>(25,225)</td>
<td>23,381</td>
</tr>
</tbody>
</table>
20 **Cash and cash equivalents**

<table>
<thead>
<tr>
<th></th>
<th>Group 2020</th>
<th>Group 2019</th>
<th>Charity 2020</th>
<th>Charity 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank</td>
<td>£26,651</td>
<td>-</td>
<td>£26,467</td>
<td>-</td>
</tr>
</tbody>
</table>

21 **Analysis of net debt**

<table>
<thead>
<tr>
<th></th>
<th>At start of the year</th>
<th>Cash flows</th>
<th>At 30 September 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank and cash balances</td>
<td>-</td>
<td>£26,651</td>
<td>£26,651</td>
</tr>
<tr>
<td><strong>Charity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank and cash balances</td>
<td>-</td>
<td>£26,467</td>
<td>£26,467</td>
</tr>
</tbody>
</table>

22 **Pension commitments**

UKRI-NERC employees are entitled to be members of the Research Council's Pension Scheme which is a defined benefit scheme funded from annual grant-in-aid and pay-as-you-go basis. The pension scheme is contributory and is administered by the Research Council's Joint Superannuation Service. The scheme is a multi-employer scheme, for which a separate Research Council's Pension Scheme account is published. NERC are unable to identify their share of the underlying assets and liabilities and those relating to NOC.

Employees who joined after 1 November 2019 are entitled to be members of the National Oceanography Centre Group Pension Scheme. This is a defined contribution pension scheme administered by Legal and General. Contributions for the year were employer's 10% and employees a minimum of 5%.

The pension costs charge for the year represents contributions payable to the schemes and amounted to £5,234k (2019: £Nil).

23 **Related party transactions**

The Charity recharged employment costs of £245k (2019: £Nil) to National Oceanography Centre Innovations Limited, its subsidiary and also incurred costs of £148k (2019: £Nil) on behalf of its subsidiary.

At the year end the Charity was owed £207k (2019: £Nil) by National Oceanography Centre Innovations Limited.

Transactions with Trustees are detailed in note 12.